Passed Asst. Paymaster Harry M. Mason to be a paymaster in the Navy, with the rank of lieutenant commander, from the 7th day of January, 1930.

Gunner Robert D. Carmichael to be a chief gunner in the Navy, to rank with but after ensign, from the 18th day of October, 1929.

HOUSE OF REPRESENTATIVES

MONDAY, *May 26, 1930*

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Eternal God, in drawing near to Thee with the understanding mind may we in disposition and inward likeness be worthy children of Thine. Guide our steps and keep our heartstrings in tune. Let us not only look for Thee on the pages of books, pressed on the systematic leaves of history, but far, far better, may we find Thee in the sweet aroma that mellows and softens daily living. Bless us with the spirit that sings the song of unselfishness and chants the anthem of duty. Here is work to be done by lovers of industry, of character, of country, and of fine reputation; but we often love imperfectly. Do Thou direct the springs of action and uncoil the best forces in us which have been coiled by the hands of the Almighty. We pray in the name of our divine Lord. Amen.

The Journal of the proceedings of Saturday, May 24, 1930, was read and approved.

PROBATION OFFICERS—RETURN OF A BILL

Mr. GRAHAM. Mr. Speaker, I ask unanimous consent for the present consideration of a resolution, recalling a bill from the President's hands, to correct an error in it, which I send to the desk and ask to have read.

The Clerk read as follows:

House Concurrent Resolution 34

Resolved by the House of Representatives (the Senate concurring), That the President be requested to return to the House of Representatives the bill H. R. 3975, entitled "An act to amend sections 726 and 727 of title 18, United States Code, with reference to Federal probation officers, and to add a new section thereto."

Mr. GRAHAM. Mr. Speaker, I want to say a word first in explanation of this resolution. This bill was offered originally in the previous Congress and passed the House, but failed in the Senate. It was reintroduced in this Congress and passed the House after having been referred to the Attorney General and after having been passed unanimously in the committee. It passed the Senate and was messaged to the President. In the Department of Justice they pointed out the fact that the bill was referred to in the title as an amendment to the United States Code. It is contended that the code is not the law, that the amendment ought to have been directed to the original law, and it is simply to correct that reference in the title that this resolution is offered. My own opinion is that the bill would be perfectly sound and good, standing as it is, but the Bureau of the Budget said this morning that the appropriation which is sought would not be made unless this correction be made in the bill. Hence this resolution.

The SPEAKER. Is there objection to the present consideration of the resolution?

There was no objection.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

PENSIONS

Mr. KNUTSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill H. R. 12205, granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors, with Senate amendments thereto, disagree to the Senate amendments and ask for a conference.

The SPEAKER. The gentleman from Minnesota asks unanimous consent to take from the Speaker's table the bill H. R. 12205, with Senate amendments thereto, disagree to the Senate amendments, and ask for a conference. Is there objection?

There was no objection.

The Chair appointed the following conferees: Mr. KNUTSON, Mr. KOPP, and Mr. BOX.

REFUND OF TAXES

Mr. GARNER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting some data that I have secured with reference to the refund of taxes, and in that connection may I take one minute to say that I think the House will recall that at the time we discussed the Steel Corporation $33,000,000-tax refund, my contention, and the contention of Mr. COLLIER, and others of the minority, was that it should have gone to the courts so that the courts could pass upon the legal questions involved. Within two weeks of the time I made that statement, the Court of Claims passed upon the identical question involved there, and unanimously held against the position of the Treasury Department. If the interpretation of the Court of Claims of the law had been applied to the Steel Corporation refund, it would have saved on one transaction $9,000,000, and on the entire transaction about $26,000,000. This decision was rendered by our former colleague, Mr. Williams, of Illinois, and it will also be remembered that on that court there is also Judge Green, the former chairman of the Ways and Means Committee. I call the attention of the House to this to illustrate the importance, in my opinion, of considering these questions from a nonpartisan standpoint. If this matter had been considered from a nonpartisan standpoint, in my opinion, the Steel Corporation's refund would never have been approved by the joint committee.

Mr. CHINDBLOM. Mr. Speaker, will the gentleman yield?

Mr. GARNER. Yes.

Mr. CHINDBLOM. Does the document the gentleman asks to have printed in the RECORD set up sufficient facts to show that the two cases are identical?

Mr. GARNER. I think they do. I use my own argument, but the gentleman can go to the decision of Mr. Justice Williams, and he will easily see the analogy. The gentleman will remember that I called attention to the fact that there were, as I recall it, one hundred and ninety and odd children of the United States Steel Corporation. They made profits one from another, and this juggling of their profits is what brought about this situation. The Packard Motor Co. had the same sort of transaction. They juggled theirs in the same way, but the Court of Claims did not allow that. They went to the Court of Claims, and the Court of Claims held that they had no case.

Mr. CHINDBLOM. The gentleman has asserted that the two cases were analogous or similar. The point I wanted to bring out was whether the document would show that the two cases were similar.

Mr. GARNER. In my opinion it will show that.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

Mr. GARNER. Mr. Speaker, under leave to extend my remarks in the RECORD I desire to call attention to the fact that the failure of the Treasury Department to contest in the courts the tax-refund claims of the United States Steel Corporation has resulted in a direct loss to the Government of at least $9,000,000, and possibly $26,000,000.

This loss is made evident by the recent decision of the United States Court of Claims in the case of the Packard Motor Car Co. against the United States, in which were involved the same issues upon which part of the recent refund of $33,000,000 to the United States Steel Corporation on 1918 taxes were based.

Application of the same principles to the $26,000,000 refund to the United States Steel Corporation on the 1917 taxes would have saved the Government $17,000,000, and, in my opinion, the Treasury Department has been guilty of gross negligence in its failure to bring these controverted matters into the courts.

One of the points at issue in the case of the United States Steel Corporation was the elimination of intercompany profits from the 1918 inventory. This point was conceded in favor of the steel corporation by the Treasury Department and the majority members of the Joint Committee on Internal Revenue Taxation. On April 7 the United States Court of Claims handed down a unanimous decision on this point in the Packard Motor Co. case, showing clearly and indisputably that the rule used by the department was wrong. If the rule laid down by the Court of Claims had been followed in the steel case, we would have saved $6,000,000 in principal and $3,000,000 in interest. If the same rule applies to the $26,000,000 refund of 1917 taxes to this corporation—and I am convinced that it does—we would have saved $17,000,000 principal alone by taking the case into court.

Last March I called the attention of the House to the $33,000,000 refund of 1918 taxes, and my contention was that there were enough controverted matters which had not been adjudicated by the courts or the Board of Tax Appeals to demand that the Treasury Department go into the courts and permit them to adjudicate what we owed, if anything, to the United States Steel Corporation. As a minority member of the Joint Committee on Internal Revenue Taxation I have con-

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sistently opposed the granting of these enormous refunds without a decision of the courts.

The gross negligence of the Treasury Department in granting these enormous refunds to the United States Steel Corporation without a court decision has resulted in the loss of $9,000,000 in this one case alone, and it is impossible at this time to compute how much more has been lost through the application of this erroneous principle in other cases. And not only was the joint committee warned by the minority members that the case should be taken to the courts, but it was also warned by its own technical staff that the rule used on this specific question was not the correct rule, and the decision of the Court of Claims demonstrates the solid basis for these warnings.

On March 4, L. H. Parker, chief of staff of the joint committee, stated in a report on the proposed refund of $33,000,000 to the Steel Corporation:

> It is true that the bureau is following a recent ruling of its legal department in the treatment of intercompany profits, but it is also true that the present policy is a reversal of the policy followed up to 1924, and it is believed that the present policy is open to serious question.
>
> Under this rule the Government loses about $17,000,000 tax in 1917 and $6,000,000 in 1918 by the consolidated returns. For its present procedure the bureau relies primarily on S. M. 1530, and secondarily on L. O. 1108. Both of these decisions were published in 1924 and represent a reversal of the first policy without any court decisions requiring such change.
>
> Law Opinion 1108 was written by Mr. Alexander Gregg, formerly Solicitor of the Bureau of Internal Revenue, before the time he became solicitor. Mr. Gregg, however, put a memorandum in the file condemning the very memorandum he wrote as being unsound and fallacious.

Upon this opinion, which was not concurred in by its author, these refunds have been granted, and the consolidated companies, such as the United States Steel Corporation, have been the beneficiaries. It should be remembered that by this opinion only the consolidated companies benefit; that it does not affect the ordinary corporation in any way.

In the revenue act of 1928, through the efforts of the minority, the consolidated returns provision was stricken from the act in the House, but was restored by the Senate. The pernicious effect of this provision is exemplified in this one case, especially when administered by executives who appear to function solely for the purpose of protecting the interests of these corporations rather than the interests of the Government.

We spend days in the House debating items of only a few thousand dollars. We devote months to the consideration of whether we shall appropriate $9,000,000 or $12,000,000 for the District of Columbia government, and yet we hand to the United States Steel Corporation $26,000,000 with only an ineffectual protest from the minority and without a court decision upon which to base such refunds.

Several weeks ago I introduced a resolution authorizing an investigation of the Treasury Department in connection with these tax refunds, and that resolution has never been reported by the committee to which it was referred. I believe that in view of this decision of the Court of Claims the resolution should be acted upon and Congress informed as to the reason and motives of the Treasury Department in granting these refunds without a court decision.

The $33,000,000 refund to the United States Steel Corporation was approved by the majority members of the Joint Committee on Internal Revenue Taxation in March. Since that time refunds aggregating $5,845,052.75 have been approved by the Treasury Department, and it is interesting to note that of this amount $3,435,948 represents refunds to Pennsylvania corporations.

I believe that the great mass of American taxpayers, upon whom the burden of these enormous refunds must fall, are entitled to demand of Congress and the Treasury Department that these matters be submitted to the courts for adjudication. The fallacy of the rule applied by the Treasury Department has been made evident by the decision of the Court of Claims, and it is obvious that a halt must be called, a thorough investigation made, and rules established upon a sound basis by the courts.

WAR DEPARTMENT APPROPRIATION BILL

Mr. BARBOUR. Mr. Speaker, I call up the conference report on the bill (H. R. 7955) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1931, and for other purposes, and ask that the statement be read in lieu of the report.

The SPEAKER. The gentleman from California calls up the conference report on the bill H. R. 7955, the War Department appropriation bill, and asks unanimous consent that the statement be read in lieu of the conference report. Is there objection?

There was no objection.

The SPEAKER. The Clerk will read the statement.

The statement was read.

Following are the conference report and accompanying statement:

CONFERENCE REPORT

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7955) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1931, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 5, 12, 18, 19, 20, 21, 22, 35, and 38.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 2, 3, 4, 6, 8, 14, 15, 16, 17, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 40, 41, 42, 44, 45, 46, 47, and 48, and agree to the same.

Amendment numbered 7: That the House recede from its disagreement to the amendment of the Senate numbered 7, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert "$2,500 each, thirty such vehicles at $2,000," and on page 22 of the bill, line 22, strike out "forty" and insert in lieu thereof "ten"; and the Senate agree to the same.

Amendment numbered 9: That the House recede from its disagreement to the amendment of the Senate numbered 9, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "including interior facilities, necessary service connections to water, sewer, gas, and electric mains, and similar improvements, all within the authorized limit of cost of such buildings"; and the Senate agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lines 3 and 4 of the matter inserted by said amendment strike out the following: "as a heavier as well as a lighter than air field"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "*Provided further*, That the Secretary of War is authorized to enter into contracts for the purposes specified in the foregoing acts, to an amount not to exceed $2,773,000, in addition to the appropriation herein made, but no contract shall be let or obligation incurred that would commit the Government to the payment of a sum exceeding $750,000 for completing all of the Army construction projects in Porto Rico embraced by the Budget for the fiscal year 1931"; and the Senate agree to the same.

Amendment numbered 13: That the House recede from its disagreement to the amendment of the Senate numbered 13, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read, as follows: "*Provided further*, That no part of the funds herein appropriated shall be available for construction of a permanent nature of an additional building or an extension or addition to an existing building, the cost of which in any case exceeds $20,000: *Provided further*, That the monthly rental rate to be paid out of this appropriation for stabling any animal shall not exceed $15"; and the Senate agree to the same.

Amendment numbered 23: That the House recede from its disagreement to the amendment of the Senate numbered 23, and agree to the same with an amendment as follows: In lines 4 and 5 of the matter inserted by said amendment strike out the word "contemplated" and insert in lieu thereof "provided"; and the Senate agree to the same.

Amendment numbered 37: That the House recede from its disagreement to the amendment of the Senate numbered 37, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "*Provided*, That in the procurement of articles of furniture, equipment, and furnishings, or replicas thereof, required to restore the appearance of the interior of the mansion to the condition of its occupancy prior to the Civil War, obligations may be incurred without advertising when in the opinion of the Quartermaster General it is advantageous to the Government to dispense with advertising"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 39 and 43.

HENRY E. BARBOUR,
FRANK CLAGUE,
JOHN TABER,
ROSS A. COLLINS,
W. C. WRIGHT,
Managers on the part of the House.

DAVID A. REED,
W. L. JONES,
FRANK L. GREENE,
WM. J. HARRIS,
JOHN B. KENDRICK,
Managers on the part of the Senate.

STATEMENT OF THE MANAGERS ON THE PART OF THE HOUSE

The managers on the part of the House at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 7955) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1931, and for other purposes, submit the following statement explaining the effect of the action agreed upon by the conference committee and submitted in the accompanying conference report:

On No. 1: Appropriates $57,480 for contingencies, Military Intelligence Division, as proposed by the Senate, instead of $62,480, as proposed by the House.

On No. 2: Appropriates $80,760 for Army War College, as proposed by the Senate, instead of $82,020, as proposed by the House.

On No. 3: Appropriates $24,669,783 for subsistence of the Army, as proposed by the Senate, instead of $24,675,258, as proposed by the House.

On Nos. 4 and 5, relating to incidental expenses of the Army: Strikes out, as proposed by the Senate, provision for lecture fees at the Army Music School, and appropirates $3,904,738, as proposed by the House, instead of $3,928,738, as proposed by the Senate.

On Nos. 6, 7, and 8, relating to Army transportation: Appropriates $14,975,000, as proposed by the Senate, instead of $15,000,000, as proposed by the House; authorizes the purchase of 10 passenger-carrying automobiles at $2,500 each, and of 30 such vehicles at $2,000 each, instead of 40 cars at $2,000 each, as proposed by the House, and 40 cars at $2,500 each, as proposed by the Senate, and authorizes the purchase of 150 passenger-carrying automobiles at $1,200 each, as proposed by the Senate, instead of such number of such vehicles at $1,500 each, as proposed by the House.

On Nos. 9, 10, and 11, relating to military posts: Restores the matter inserted by the House specifying certain objects to be included as utilities and appurtenances, amended to omit "sidewalks, driveways, grading, and seeding lawns"; makes $125,000 of the appropriation proposed by the House available toward construction of barracks and quarters at Scott Field, Ill., as proposed by the Senate; removing, however, the Senate proposal to designate such field as a heavier as well as a lighter than air field, and inserts in lieu of the contract authorizations proposed by the House and Senate a contract authorization of $2,773,000, to which is attached a limitation of $750,000 on obligations which may be incurred for completing construction projects in Porto Rico.

On Nos. 12 and 13, relating to barracks and quarters and other buildings and utilities: Appropriates $11,000,000, as proposed by the House, instead of $11,152,060, as proposed by the Senate, and restores the limitations proposed by the House, amending the one relating to construction to exempt projects costing $20,000 or less.

On No. 14: Strikes out the limitation proposed by the House on the use of the appropriation for construction and repair of hospitals, for constructing hospitals, or extending or adding to existing hospitals.

On Nos. 15, 16, and 17, relating to seacoast defenses: Appropriates $85,000 for construction of shore-protection works at Fort Screven, Ga., as proposed by the Senate.

On No. 18: Appropriates $3,010,000 for signal service of the Army, as proposed by the House instead of $3,103,378, as proposed by the Senate.

On No. 19: Appropriates $268,970 for engineer equipment of troops, as proposed by the House, instead of $263,970, as proposed by the Senate.

On No. 20: Appropriates $9,719,161 for ordnance service and supplies, Army, as proposed by the House, instead of $9,479,306, as proposed by the Senate.

On No. 21: Appropriates $1,870 for incidental expenses, tank service, as proposed by the House, instead of $1,300, as proposed by the Senate.

On No. 22: Appropriates $79,500 for pay of property and disbursing officers, National Guard, as proposed by the House, instead of $122,200, as proposed by the Senate.

On Nos. 23 and 24, relating to the Organized Reserves: Expresses more fully the objects of expenditure incident to personal injury or disease sustained or contracted in line of duty, as proposed by the Senate, except that the word "provided" is substituted for the word "contemplated," and amends, as proposed by the Senate, the limitation with respect to flight training so as to apply to officers "physically and professionally qualified to perform aviation service as an aviation pilot," instead of "qualified to perform combat service as an aviation pilot."

On Nos. 25 to 34, both inclusive, relating to the Reserve Officers' Training Corps: Provides specifically for expenses incident to transportation of warrant officers and enlisted men and of their dependents in connection with duty with Reserve Officers' Training Corps units, and amends the limitation on enlarging the number of mounted, motor transport, or tank units by prescribing as the maximum number the number in existence on January 1, 1928.

On No. 35: Appropriates $2,814,772 for citizens' military training camps, as proposed by the House, instead of $2,884,772, as proposed by the Senate.

On No. 36: Corrects the name of an annuitant under the acts of May 23, 1908, and February 28, 1929, as proposed by the Senate.

On No. 37: Restricts the authorization proposed by the House to obligate available funds for the restoration of the Lee Mansion without advertising when advantageous to the Government to funds used in the procurement of articles of furniture, equipment, and furnishings, or replicas thereof, as proposed by the Senate.

On No. 38: Continues available the unobligated balances of the appropriations previously made for the Fredericksburg and Spotsylvania Battle Fields Memorial, as proposed by the House, instead of coupling with such a continuance an additional appropriation of $50,000, as proposed by the Senate.

On Nos. 40, 41, and 42: Appropriates $232,500 for completing the monument on Kill Devil Hill, Kitty Hawk, N. C., as proposed by the Senate, instead of $7,500 toward the erection of such monument, as proposed by the House, and makes the appropriation available until June 30, 1932, as proposed by the Senate, instead of "until expended," as proposed by the House.

On No. 44: Strikes out, as proposed by the Senate, the appropriation of $2,500 proposed by the House on account of the birthplace of George Washington, Wakefield, Va., such appropriation having been included in the bill making appropriations for the Department of the Interior for the fiscal year 1931.

On Nos. 45, 46, and 47: Appropriates $80,000 for repairs at the Bath Branch, National Home for Disabled Volunteer Soldiers, as proposed by the Senate, instead of $125,000, as proposed by the House.

On No. 48: Makes available $1,000 for the purchase of law books, Panama Canal, as proposed by the Senate, instead of $1,500, as proposed by the House.

The managers on the part of the House have agreed to recommend that the House concur in Senate amendments Nos. 39 and 43, with amendments. The former relates to the Shiloh National Military Park and the latter to Old Fort Niagara, N. Y.

HENRY E. BARBOUR,
FRANK CLAGUE,
JOHN TABER,
ROSS A. COLLINS,
W. C. WRIGHT,
Managers on the part of the House.

Mr. BARBOUR. Mr. Speaker, I want to make just a brief statement to the House concerning the conference report.

The bill as passed by House carried $456,243,386.

The bill as passed by Senate carried $456,780,864.

Total Senate increases, $537,478.

As agreed to in conference, including amendments Nos. 39 and 43, brought back for disposition by House, the bill carries $456,544,151, which sum exceeds the amount of the bill as passed by House by $300,765, and falls under the amount of the bill as passed by Senate by $236,713.

The items contributing to the sum of the Senate increases agreed to are as follows:

	Increase	Decrease
Contingencies, Military Intelligence Division		$5,000
Army War College		1,260
Subsistence of the Army		5,475
Army transportation		25,000
Seacoast defenses	$85,000	
Shiloh National Military Park	50,000	
Monument on Kill Devil Hill, N. C	225,000	
Old Fort Niagara	25,000	
Birthplace of George Washington		2,500
Bath Branch, National Home for Disabled Volunteer Soldiers		45,000
	385,000	84,235
	84,235	
Net increase	300,765	

Of the increases agreed to totaling (net) $300,765, there is budget support for the entire amount and an additional sum to spare.

As agreed to by the conferees, the bill is within the Budget estimates by $764,766.

Unless there are questions that any Member may desire to ask I will move the adoption of the conference report.

Mr. DYER. Mr. Speaker, will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. DYER. Will the gentleman explain to us the purpose of amendment No. 10? I see that the conferees have agreed to strike out the words "heavier" as well as "lighter air fields." Does that leave the matter as it now exists in the law, that this is a lighter-than-air field?

Mr. BARBOUR. That is a lighter-than-air field. The Senate wrote in language that might be construed as directing the War Department to use it also as a heavier-than-air field. The conferees deemed it advisable not to make that change in this bill. We are maintaining it in its original status.

Mr. DYER. Will the gentleman tell us whether or not the conferees felt that way about this amendment?

Mr. BARBOUR. We felt that it was a legislative matter, and that if we agreed that it could be used as heavier-than-air field it might be construed as legislation.

Mr. DYER. There is no other objection aside from the technical one that it is legislation on an appropriation bill?

Mr. BARBOUR. So far as was developed with the conferees, that was the only matter under consideration.

Mr. ARNOLD. Mr. Speaker, will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. ARNOLD. Is there any change made as to the Scott Field in the conference report other than as provided in the bill as it passed the House?

Mr. BARBOUR. Yes. It provides that $125,000 shall be used for Scott Field. The House carried no provision for Scott Field. The conference report provides that $125,000 be made available for Scott Field for construction work.

Mr. ARNOLD. For construction work and equipment?

Mr. BARBOUR. Yes.

Mr. LAGUARDIA. Mr. Speaker, will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. LAGUARDIA. Did the conference disturb in any way the proviso provided by the House concerning amendments for construction?

Mr. BARBOUR. There were some changes made in those items. The gentleman recalls that a contract authorization was carried in the House bill providing that not more than $750,000 should be obligated for the Army Medical School.

Mr. LAGUARDIA. At West Point?

Mr. BARBOUR. Yes. We took the limitation off that as to the amount.

Mr. LAGUARDIA. Did the Senate or the conference disturb the proviso adopted by the House in amendments as to waiving the requirements of the statute that the authorities at West Point could build themselves?

Mr. BARBOUR. We just took the limitation off the amount, so that the original estimate would control. It was represented to us that they would be unable to complete that construction in a satisfactory manner with the amount the House put in, so we took off the limitation, and the original estimate will remain.

Mr. LAGUARDIA. The gentleman is aware of the fact that we have gone over their estimated appropriations three or four times?

Mr. BARBOUR. Yes; in several cases they have gone over the authorized amount.

Mr. LAGUARDIA. As to the building program at Mitchel Field, do I understand that the specific appropriation for specific buildings has been changed, so as to make that a lump-sum appropriation?

Mr. BARBOUR. Not in this bill.

Mr. LAGUARDIA. Is there any idea of doing that?

Mr. BARBOUR. There was an authorization for buildings at Mitchel Field, and they advertised for bids and the bids came in considerably over the amount that was authorized. Those buildings have not been constructed and the money has not been spent.

Mr. LAGUARDIA. Will they be able to proceed with construction now?

Mr. BARBOUR. It is intended to ask for additional money.

Mr. LAGUARDIA. And meantime they can not proceed?

Mr. BARBOUR. Meantime they can not proceed.

Mr. LAGUARDIA. There was nothing that could be done in this bill to enable them to proceed?

Mr. BARBOUR. This bill carries for Mitchel Field, in the lump-sum appropriation, $216,000 for noncommissioned officers' quarters and $660,000 for officers' quarters.

Mr. LAGUARDIA. Then, they can proceed if they can build within those limits?

Mr. BARBOUR. If they can build within those limits; yes.

Mr. LAGUARDIA. Now, may I ask as to the Kitty Hawk Monument? Are all the plans sufficiently advanced so as to justify an appropriation for the complete amount?

Mr. BARBOUR. We are so advised that the $225,000 carried here will complete the monument at Kitty Hawk.

Mr. LAGUARDIA. Was the committee presented with the plan or design of the proposed monument?

Mr. BARBOUR. No, sir; the conference committee was not; but we were informed that it is in satisfactory shape at this time, so that they can go ahead and complete the monument.

Mr. LAGUARDIA. Now, may I ask one more question? I notice that amendments have been inserted by the Senate and accepted by the House conferees as to a limitation upon the price of automobiles.

Mr. BARBOUR. Yes.

Mr. LAGUARDIA. Is that to compel the purchase of any one specific machine?

Mr. BARBOUR. No.

Mr. LAGUARDIA. Or is it simply for reasons of economy?

Mr. BARBOUR. For reasons of economy. The House provided for 40 automobiles at not to exceed $2,000 and 150 at not to exceed $1,500. The Senate changed that to 40 at not to exceed $2,500 and 150 at not to exceed $1,200 each. The conferees agreed to the 150 at $1,200 and agreed to 10 at not to exceed $2,500 and 30 at not to exceed $2,000.

Mr. VINSON of Georgia. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. VINSON of Georgia. As a matter of fact, the maximum for automobiles in the Navy appropriation is only $1,500. I am wondering why the committee allows $2,500 for the Army.

Mr. LAGUARDIA. That is all right. An admiral ought to be in a boat and not be in an automobile. Everybody knows that.

Mr. BARBOUR. Admirals do much of their traveling in high-priced launches. They do not have the need for automobiles that a general in the Army has.

Mr. RANKIN. Can the gentleman tell us what those launches cost?

Mr. BARBOUR. Perhaps the gentleman from Georgia [Mr. VINSON] can.

Mr. IRWIN. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. IRWIN. I notice in the item of $125,000 for Scott Field that the Senate went further in describing that as "lighter than air" and "heavier than air."

Mr. BARBOUR. Yes.

Mr. IRWIN. The motives of the conferees in removing that language was merely so that it would not be legislative matter on an appropriation bill?

Mr. BARBOUR. That is correct.

Mr. IRWIN. And the status of the field, as far as lighter than air, stands as it already is?

Mr. BARBOUR. It remains just the same.

Mr. LAGUARDIA. The field may be used for any purpose by the Air Service?

Mr. BARBOUR. Yes; for any purpose whatever.

Mr. COLLINS. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. COLLINS. The answer of the gentleman to the gentleman from Georgia [Mr. VINSON] was hardly the correct one. The position of the House conferees was that the cost of automobiles for admirals on duty in Washington and places where they are required to do land duty should be the same as those purchased for generals, because their status was the same as the status of generals. We felt that the automobiles purchased for generals should cost no more than those purchased

for admirals, but we were forced to accept the $2,500 limit for 10 of them, because the Senate conferees thought that 10 automobiles of the $2,500 class should be provided. I personally believe the prices paid should not exceed $1,800. I do not ride in a car costing that much. This may be because I have to pay for it, and I dare say these generals would find they could get along just as well on a lower priced car if they had to pay for it.

Mr. BARBOUR. And, in addition, the admirals have launches.

Mr. COLLINS. Well, they do not have launches when they are on shore duty.

Mr. BARBOUR. No; but they do not have the need for automobiles that commanding officers of the Army do.

Mr. LAGUARDIA. Why do you not get them roller skates?

Mr. VINSON of Georgia. Does the gentleman mean the generals?

Mr. COLLINS. I think $2,500 is too much.

Mr. VINSON of Georgia. In the construction of officers' quarters Congress has adopted the policy that the expenditure should be the same, and it is an effort on the part of Congress to have expenditures for the Army and Navy as close as possible. Now, the precedent is being adopted of purchasing $2,500 automobiles for the Army, and we will be in the position of having to purchase $2,500 automobiles for the Navy. Why not put it where it formerly has been, $1,500, to be a satisfactory car for Government service?

Mr. LAGUARDIA. Will the gentleman yield?

Mr. BARBOUR. I yield.

Mr. LAGUARDIA. We must assume that these automobiles for generals are for their official military use.

Mr. VINSON of Georgia. And that same assumption must be applied to the Navy Department.

Mr. LAGUARDIA. When a general goes out with his division at drills or maneuvers he takes a staff with him, and they are on strictly military duty. He must have a high-powered car of sufficient capacity to get around and carry on his work as a general of the Army. An automobile for an admiral, as I understand it, is for his convenience while on land duty.

Mr. VINSON of Georgia. That is exactly what the purpose of the automobile is for the general in the Army, because these 10 automobiles will be used in Washington.

Mr. LAGUARDIA. All 10 of them?

Mr. VINSON of Georgia. The 10 which will cost $2,500; yes, sir. Now, I say to the gentleman from New York the same principle should apply in the Army as applies in the Navy.

Mr. LAGUARDIA. If the automobiles are to be used for post duty in Washington, I will concede that, but if those automobiles are to be purchased for a general's use in the field then a different type of machine is necessary.

Mr. VINSON of Georgia. That is true, but this provision provides for 10 automobiles for generals, and the use of them is primarily here in the city of Washington, just the same as the use of the automobiles for the Navy Department will be in the city of Washington.

Mr. LAGUARDIA. I suppose a major general in command of a corps area will get one of these machines?

Mr. BARBOUR. It was stated in conference that the 40 proposed by the Senate would be used by the higher Army officials here in Washington and in the corps areas. The 10 have not been definitely allocated, and where they will be used I can not say at this time.

Mr. VINSON of Georgia. My point is that the expenditures for these things for the Army and Navy should be kept as close together as possible.

Mr. BARBOUR. I agree with the gentleman, and I also agree with the gentleman from New York that there is a difference in the use to which these automobiles are put by generals in the Army and admirals in the Navy.

Mr. RANKIN. Will the gentleman yield?

Mr. BARBOUR. Yes.

Mr. RANKIN. With reference to the item for the resurfacing of the road in the Shiloh National Park, as I understand the Senate adopted an amendment providing for a concrete road?

Mr. BARBOUR. Yes.

Mr. RANKIN. And that the conferees changed it and reduced the appropriation. What kind of a road will be constructed?

Mr. BARBOUR. I understand they will construct a crushed stone or gravel road, with a surfacing of tarvia, or something of that kind.

Mr. RANKIN. Will it be the same kind of a road they have in the Gettysburg National Park?

Mr. BARBOUR. I understand it will not be exactly the same as the roads in the Gettysburg National Park, which have been there for a long time and which have just recently been put in good condition. Let me say to the gentleman that I am told that this will furnish a much better road than any of the roads in that immediate vicinity at the present time.

Mr. RANKIN. What I am trying to get at is whether the surfacing of it will be the same as the surfacing of the roads in the Gettysburg National Park.

Mr. BARBOUR. I am told by Colonel Gibson that probably it will not be as substantial a road as the Gettysburg roads but that it will be a better road than those in the immediate vicinity of Shiloh National Military Park.

Mr. RANKIN. The gentleman means by not being "as substantial" that it will not stand up as long, but the point I am trying to get at is whether or not the surfacing will be practically the same—as long as it does stand up—as the roads in the Gettysburg Park.

Mr. BARBOUR. It will be a different type of surfacing, as I understand.

Mr. LAGUARDIA. I think the gentleman from Mississippi is very fortunate in getting what he did get.

Mr. RANKIN. But the gentleman from New York is so far from the battle front that he does not understand the situation.

Mr. LAGUARDIA. But you are getting a road.

Mr. RANKIN. But they have these roads in Gettysburg, Chickamauga, and in other national parks. Let me ask the gentleman this question: This will not preclude us from having further improvements made on this road?

Mr. BARBOUR. I would not consider that this would preclude the gentleman from Mississippi.

Mr. RANKIN. I will say to the gentleman from New York [Mr. LAGUARDIA] that we are going to keep at this until we have as good roads at Shiloh as they have at Gettysburg.

Mr. BARBOUR. This will take care of you for several years to come, I think.

Mr. Speaker, I move the previous question on the adoption of the conference report.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the conference report.

The conference report was agreed to.

The SPEAKER. The Clerk will report the first amendment in disagreement.

The Clerk read as follows:

Amendment No. 39, page 74, after line 18, insert:

"Toward resurfacing with concrete the road situated in the Shiloh National Military Park and extending from the original boundaries of the park to the Corinth National Cemetery, such sum to be expended under the direction of the Secretary of War, $100,000, said resurfacing to be completed within a limit of cost of $306,000."

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The gentleman from California moves that the House recede and concur with an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment No. 39. In lieu of the matter inserted by said amendment, insert the following:

"Toward resurfacing the road situated in the Shiloh National Military Park and extending from the original boundaries of the park to the Corinth National Cemetery, such sum to be expended under the direction of the Secretary of War, $50,000, said resurfacing to be completed within a limit of cost of $100,000."

The SPEAKER. The question is on agreeing to the motion of the gentleman from California.

The motion was agreed to.

The SPEAKER. The Clerk will report the next amendment in disagreement.

The Clerk read as follows:

Amendment No. 43, page 78, line 3, insert:

"Old Fort Niagara, N. Y.: For the repair, restoration, and rehabilitation of the French gateway, head house, the French and early American battery emplacements and gun mounts, the old French chapel, and early American hot-shot oven, and including the repair and building of roadways and the improvement of grounds, and the completion of the building and/or restoration and rehabilitation of rest room at Old Fort Niagara, N. Y., $25,000 to be expended only when matched by an equal amount by donation from local interests for the same purpose, such equal amount to be expended by the Secretary of War: *Provided*, That all work of repair, restoration, rehabilitation, construction, and maintenance shall be carried out by the Secretary of War in accordance with plans prepared and submitted by the Old Fort Niagara Association (Inc.), of New York State, and approved by the Secretary of War."

Mr. BARBOUR. Mr. Speaker, I move that the House recede and concur with an amendment.

The SPEAKER. The gentleman from California moves that the House recede and concur with an amendment, which the Clerk will report.

The Clerk read as follows:

On page 7 of the Senate engrossed amendments, line 17, strike out all after the word "plans," down to and including the word "war," in line 19, and insert in lieu thereof the following: "approved by him."

The SPEAKER. The question is on agreeing to the motion of the gentleman from California.

The motion was agreed to.

EQUALIZATION OF PENSIONS TO CERTAIN SOLDIERS, SAILORS, AND MARINES OF THE CIVIL WAR

Mr. NELSON of Wisconsin. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 12013) to revise and equalize the rate of pension to certain soldiers, sailors, and marines of the Civil War, to certain widows, former widows of such soldiers, sailors, and marines, and granting pensions and increase of pensions in certain cases, with a Senate amendment, disagree to the Senate amendment, and ask for a conference.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to take from the Speaker's table House bill 12013, disagree to the Senate amendment, and ask for a conference. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection. [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. NELSON of Wisconsin, ELLIOTT, and LOZIER.

VOCATIONAL REHABILITATION

Mr. REED of New York. Mr. Speaker, I ask unanimous consent to take from the Speaker's table H. R. 10175, to amend an act entitled "An act to provide for the promotion of vocational rehabilitation of persons disabled in industry or otherwise and their return to civil employment," approved June 2, 1920, as amended, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from New York asks unanimous consent to take from the Speaker's table House bill 10175, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection?

Mr. GARNER. Mr. Speaker, I would like to ask if the gentleman has conferred with the conferee on this side of the House?

Mr. REED of New York. I have talked with Mr. BLACK; yes.

Mr. GARNER. And it is entirely agreeable to him to send the bill to conference?

Mr. REED of New York. Yes.

The SPEAKER. Is there objection. [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. REED of New York, FENN, and BLACK.

LEGISLATIVE APPROPRIATION BILL

Mr. MURPHY. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H. R. 11965) making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1931, and for other purposes, with Senate amendments, disagree to the Senate amendments, and ask for a conference.

The SPEAKER. The gentleman from Ohio asks unanimous consent to take from the Speaker's table the bill (H. R. 11965) with Senate amendments, disagree to the Senate amendments, and ask for a conference. The Clerk will report the bill.

The Clerk read the title of the bill.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none, and appoints the following conferees: Messrs. MURPHY, WELSH of Pennsylvania, HOLADAY, SANDLIN, and CANNON.

BOULDER DAM

Mr. DOUGLAS of Arizona. Mr. Speaker, I ask unanimous consent to insert in the RECORD immediately following this request an opinion by the firm of Covington, Burling & Rublee with respect to the validity of certain instruments entered into by the United States, the city of Los Angeles, and the Southern California Co. with reference to a lease of a proposed power plant at Boulder Dam and the sale of falling water for the generation of electrical energy, with respect to the validity of an instrument entered into by the United States and the Metropolitan Water District with reference to the purchase of electrical energy, and with respect to an instrument entered into by the United States and the Metropolitan Water District with reference to the purchase of water delivered.

The SPEAKER. The gentleman from Arizona asks unanimous consent to extend his remarks in the RECORD by printing a legal opinion in connection with certain contracts in relation to Boulder Dam. Is there objection?

Mr. LAGUARDIA. Mr. Speaker, reserving the right to object, may I ask the gentleman from Arizona at whose request this firm of lawyers rendered this opinion?

Mr. DOUGLAS of Arizona. At my own.

Mr. LAGUARDIA. I suppose, then, it is an adverse report with respect to the legality of these instruments?

Mr. DOUGLAS of Arizona. Decidedly it is.

Mr. LAGUARDIA. Inasmuch as we have an Attorney General of our own, for the present I am constrained to object.

Mr. STAFFORD. Will the gentleman withhold his objection a moment?

Mr. LAGUARDIA. Yes.

Mr. STAFFORD. Would the gentleman have any objection to having the matter printed as a document so that it may be available in that way?

Mr. LAGUARDIA. I have not examined it. I will in due time, and for the present I shall object.

The SPEAKER. Objection is heard.

THE FLATHEAD, MONT., POWER SITE

The SPEAKER. Under the previous order of the House, the Chair recognizes the gentleman from Minnesota [Mr. KVALE].

Mr. KVALE. Mr. Speaker, a week ago, in a memorandum from the Department of the Interior, there was announced the acceptance of the application of the Rocky Mountain Power Co. for the license to develop site No. 1 at Flathead Lake, Mont.

I think the Nation should be interested in this matter. This is the third largest power site in the United States.

I may say at the outset that my interest does not lie with one or the other of the applicants. I have no particular concern over the fact that the rejected application was made by a Minnesota man, an independent engineer named Wheeler, who asked for a preliminary permit, although I am thoroughly convinced his was the better offer. The statement reads:

After years of consideration definite plans have finally been adopted which, if the terms of the license are approved by the legal advisers of the Secretary of the Interior, will make it possible to build the dam at the Flathead site in Montana and to give the Indian owners a flat rental of practically double the amount originally proposed.

Now, Mr. Speaker, this is essentially true, as far as it goes. There have been years of investigation, inquiry, hearings, and rehearings, and they have finally culminated now, as the Secretary states, in the granting of this license, with the matter in the hands of his legal advisers. The flat rental will be double the amount originally proposed by the successful applicant, but the memorandum fails to note it will fall far short of equaling the amount that the other bidder proposed to pay into the tribal funds.

We do not know what this contract contains. The thing is still secret except for this skeleton outline we have. The whole proceeding has been secret. Secrecy has pervaded all the transactions throughout these dealings and it is for this reason we feel there is a sinister cloud of suspicion hanging over the entire affair.

Now, what does this license do? It proposes to lease this site for 50 years—so that the license will be in operation after you and I are dead—to this dummy corporation, a subsidiary of the Montana Power Co., which, in turn, is dominated by Electric Bond & Share.

The Indians are to receive an average rental of $140,000 annually, roughly, over the period of years. The potential power is over 110,000 horsepower at this one site. Of this amount this license proposes to develop 68,000; in other words, a little more than one-half. On the other hand, Mr. Wheeler, who asked for a preliminary permit, proposed to develop the entire amount of potential power there.

Not only this, Mr. Speaker, but beyond this site there are four other sites which together are capable of developing in excess of 100,000 horsepower. These Mr. Wheeler proposed to develop in addition.

Under the terms of the present contract not only this substantial part of the power at site No. 1 will remain undeveloped, but all the power at the other four sites.

Later on the statement from the department reads:

No decision as to the preliminary permits asked for by both the Rocky Mountain Power Co. and Walter H. Wheeler on the four other Flathead sites has been announced.

Mr. Speaker, that is ridiculous clearly, if once a permit has been given to develop site No. 1, the other four sites are valueless to anyone else. The licensee at site No. 1 will control the reservoir and the flow of water, and thus control the power that can be generated on the other four sites. It would be impossible for any other applicant to come in and develop the four lower sites under such conditions.

Mr. ANDRESEN. Will the gentleman yield?

Mr. KVALE. I yield.

Mr. ANDRESEN. Does the gentleman know whether any other application has come in from a corporation or municipality of the State of Montana for the use of the power site?

Mr. KVALE. I will say that there were only two applications before the commission. A third was filed years ago, but set aside.

There have been several set-ups, one after another, which were secret—by the Indian Bureau, by the Secretary of War, then by the Department of the Interior, all of them presented and promptly withdrawn when they were justly criticized and each in itself an interesting story—and now comes this last one, which proposes a set-up on a flat rental basis instead of so much per horsepower.

The Rocky Mountain Power Co. is a subsidiary, a dummy. Why is the contract drawn with it instead of with the real corporation? Perhaps this is the reason. I think the gentleman from Montana will agree with me that under our present law the Federal Government can control and direct capitalization, securities, and charge for power by this company. But the Rocky Mountain Power Co. will sell its entire power output to the Montana Power Co., which will pour it into its general stream of power, so that from that point on the Federal Power Commission yields to the State utilities commission.

But this agency can not control the capitalization of contracts which the Montana Power Co. will add for its contract with the dummy, or the securities it issues as a result, or the rates that will be reflected in order that it may have a fair return on these added securities. This corporation already has a 200,000 reserve of undeveloped horsepower, and now they will tie up 65 or 75 per cent of the potential power at Flathead, tie it up permanently, against the public interest, which demands the development of all the power.

Mr. EVANS of Montana. Will the gentleman yield?

Mr. KVALE. I yield.

Mr. EVANS of Montana. Is it the contention of the gentleman from Minnesota that the Montana Public Utilities Commission can not control the rates to be charged by the Montana Power Co.?

Mr. KVALE. Certainly; that has been shown time after time. It was shown in testimony before the Federal Trade Commission, before the Senate Committee on Indian Affairs, and at the hearings before the Federal Power Commission itself.

Mr. EVANS of Montana. Can the gentleman give the House the benefit of his reason for saying that the Montana Public Utilities Commission can not control the rates to be charged by the Montana Power Co.?

Mr. KVALE. The gentleman will understand that I am speaking about the rate charged by the Rocky Mountain Power Co. with which the Federal Power Commission has a contract. Here the Federal agency has control. The Rocky Mountain Power Co. will, however, turn all the power which it generates, at a rate determined upon by the officials which control both companies and thus contract with themselves as a matter of fact, over to the Montana Power Co., whose books will in all likelihood be found to be kept in the city of New York, where the holding companies have their offices.

The Montana Public Utilities Commission, let us say, wants and needs those books and records to get data and information upon which to base its regulatory action. There is no way now in which the Montana commission can go into the State of New York and examine these books for any regulatory purpose. Such a situation has been met time and time again.

Mr. EVANS of Montana. I do not know anything about the Montana Utilities Commission going to New York, but for 20 years the Montana Utilities Commission has controlled the rates for power sold by the Montana Power Co. in the State of Montana.

Mr. KVALE. I accept the gentleman's statement; but that does not change the argument that I make, that the Government is not acting in good faith in dealing with this dummy corporation which it can regulate, but which can turn around and sell its power output at a ridiculously low rate to the Montana Power Co., which, in turn, will sell it at established rates, and in addition will promptly capitalize this contract at a figure in the millions, upon which a fair return can be demanded. Those are the facts. If the Government had dealt directly with the Montana Power Co., the returns to the Indians would have been on the basis of the excess profits it stands to gain as a result of developing this site. The Indian Bureau's own officials have shown that such excess profits would be hundreds of thousands of dollars annually. But as the result of dealing with a dummy and not with the Montana Power Co. itself, the Indians receive $140,000. Mr. Wheeler proposed to give them $240,000; that, however, is incidental.

Mr. CRAMTON. Mr. Speaker, will the gentleman yield?

Mr. KVALE. Yes.

The SPEAKER. The time of the gentleman from Minnesota has expired.

Mr. KVALE. Mr. Speaker, I ask unanimous consent to proceed for two minutes more.

The SPEAKER. Is there objection?

There was no objection.

Mr. CRAMTON. Did Walter H. Wheeler at any time show definite evidence that he could finance the proposition, so that the Indians would get a nickel, or so that anybody would get any power if he got the permit?

Mr. KVALE. Mr. Wheeler asked for a preliminary permit of three years' duration, and if that had been granted him shortly after it was applied for, by this time, of course, he would either have had all his contracts and would have been ready to proceed with the actual construction, or he would have withdrawn from the picture. He has so stated under oath.

Mr. CRAMTON. He has not been able to show the commission that he could finance the proposition if granted the permit.

Mr. KVALE. In the very nature of things, no. He wants the opportunity to get in there with a preliminary license. Once he has that, then he can go out and secure his contracts, but not before, and no one can expect him to do otherwise.

Mr. CRAMTON. And, of course, not having any money to finance his proposition, not being able to guarantee that he would ever build the project, it is easy to hold out alluring offers and statements of what the Indians would get.

Mr. KVALE. In view of the advantages to be derived both to the Indians and to the public and in view of the benefits in addition from power that would attract and cause operation of these mighty electrochemical and electrometallurgical plants right there—which would have employed thousands of the Indian and other residents of that section—with unlimited supply of raw materials right at their door, I think the Government should have given more serious consideration to Mr. Wheeler's proposal. I think he has been shabbily treated.

He has consistently been denied access to information that appears beyond doubt to have been given to the other group, just as I have and as others have. And yet I think this contract would have been just as wrong and equally despicable if Mr. Wheeler had never been concerned—this contract that will be binding for 50 years—and I can not feel it is fair to the public or to the Indians. I do not think the Power Commission has abided by the intent of the law when it gives this license to the Montana Power Co. through the Rocky Mountain Power Co., misrepresents Wheeler's application, and then shoves it aside.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. CRAMTON. Mr. Speaker, I shall have some time a little later which I do not expect to use; and, if I may, I shall be glad to transfer three minutes of my time to the gentleman from Minnesota.

The SPEAKER. Without objection, it is so ordered.

Mr. KVALE. I thank the gentleman. I still have several points that I would like very much to dwell upon.

Mr. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. KVALE. Yes.

Mr. ANDRESEN. Disregarding the two bids that were made for permits, what would be the gentleman's suggestion as to what should be done with the power possibilities on the reservation?

Mr. KVALE. I am for the full development of the power, and not for a license that will mean only a limited development. In view of the proposition that Mr. Wheeler advances, I am convinced there is a chance to develop a great industry out there, if Wheeler were permitted to attract these industrial plants through availability of cheap power to be used in manufacture of fertilizer and other products. The Department of Agriculture issued a report upon this phase of it, and that report bears out Mr. Wheeler's contentions. I think—and I introduced a resolution some time ago to that effect, which was recently superseded by a joint resolution—that no action should be taken by the Federal Power Commission in these all-important dispositions of applications until Congress shall have had a chance to determine what is its wish.

The other body of Congress has passed a resolution which provides for a reorganization of the Federal Power Commission. No action has been taken that I know of, either in committee or in the House, on that resolution. The session is drawing to its close. This is most urgent that we consider and pass this in the House of Representatives before adjournment.

There have been charges and cross charges. They have been hurled about here all winter and spring. Developments have been numerous and rapid, and have been too intricate for us to follow. It would require the full time of any Member to digest and to evaluate half of what is being shown in sworn evidence in the Federal Trade Commission hearing, in the various hearings in the Senate and in the House, even those that have come casually through the Appropriations Committee. If only some such person might pick out the essential information and lay that before the membership of the House.

Mr. EVANS of Montana. Mr. Speaker, will the gentleman yield?

Mr. KVALE. Yes.

Mr. EVANS of Montana. How long does the gentleman think it would take to make the investigation and give adequate attention to it?

Mr. KVALE. I think it would take months. I have tried to devote some time to it, and have only scratched the surface.

Mr. EVANS of Montana. Does the gentleman know that the application to get this permit was made 10 years ago and that it has taken all of those 10 years up to this time?

Mr. KVALE. Indeed I do; and in view of that I think it is misleading to advance the element of haste at this time, and to crowd through this license before attention is given to some of the facts and information developed during the past winter.

Mr. EVANS of Montana. If it could not be done in 10 years, how much time does the gentleman think it would take to do it?

Mr. KVALE. I would not undertake to say.

Mr. ANDRESEN. Mr. Speaker, will the gentleman yield?

Mr. KVALE. Yes.

Mr. ANDRESEN. Does not the gentleman feel that the people residing in the cities and villages of Montana should be given opportunity to develop this power for their own use?

Mr. KVALE. I would like to see such an arrangement, of course.

The SPEAKER. The time of the gentleman from Minnesota has again expired.

Mr. KVALE. Mr. Speaker, I ask unanimous consent to proceed for one minute more.

The SPEAKER. Is there objection?

There was no objection.

Mr. KVALE. The thing I would like to see, rather even than that, would be to have this power developed by an agency that does not already have 200,000 undeveloped horsepower in reserve and that seeks this site only for the purpose of developing as little as possible, to continue its monopoly and to stifle all competition that may threaten.

It seems to me the desire of Congress should be to make possible the generation and sale of cheap power in the interest of the development of industry, and the consequent benefit of such a program to the people in cheap products and in employment, as well as through the cheaper rates that would certainly be reflected as a result.

Before closing, let me read a telegram—it was unsolicited, reached me yesterday. So it is probable that other Members have received the same telegram. I read:

POLSON, MONT., *May 24, 1930.*

Representative KVALE,
House of Representatives, Washington, D. C.:

Tribes position unchanged. Strongly opposed proposal lease Rocky Mountain Power Co.; consider it fraud against Indians. Committed against wishes and advice tribe. Will cause diminished prosperity, diminished opportunity for employment, continuous injury for 50 years to come. We urge passage Shipstead-Kvale joint resolution.

COVILLE DUPUIS,
Chairman Flathead Tribal Council.

Mr. Speaker, under leave to extend my remarks, I wish to quote one paragraph from an address delivered in the Senate on April 18, 1930, by the Senator from North Dakota [Mr. FRAZIER], which will identify the man who has signed the telegram I have quoted and indicate his authority to speak for the Indians. The Senator says:

Later last fall, after we had been there in the summer, this Joe Irvine and a few other discontented Indians formed a sort of association—an Indian association, I think they called it—which pretended to represent the great majority of the Indians of the Flathead Reservation. They organized and sent resolutions and petitions to the Commissioner of Indian Affairs favoring the immediate lease of the site to the Rocky Mountain Power Co. I have a letter here signed by the president and secretary of the Flathead tribal council. I wish to say that this tribal council was duly elected under the regulations prescribed by the Interior Department. After the new commissioner, Mr. Rhoads, and the new assistant commissioner, Mr. Scattergood, came into office on the 1st of July, they had a new election called out there so that there would be no doubt that the majority would be represented by the new tribal council. The election was on October 5, 1929, at which time Depuis was again elected a member and made president of the tribal council; in fact, Mr. President, there were only a dozen or twenty at the outside who voted against him.

[Applause.]

Mr. Speaker, I add two telegrams which indicate the injustice which has been done the unsuccessful applicant, Mr. Wheeler, in questioning his ability to carry out his plans to market his power to interested industries. They are of record, and are typical of many more that might be presented.

MINNEAPOLIS, MINN., *October 29, 1929.*

FORBES & DANIELS,
Washington, D. C.:

I have gone into the matter of the proposed water-power development on Flathead River in Montana, with Walter H. Wheeler, engineer, of this city, in considerable detail. I have also discussed it with large investment houses. I know Mr. Wheeler's ability and reputation as an engineer and it is my opinion that, if the Federal Power Commission issued a preliminary permit to him, he will have no difficulty in financing the preliminary work necessary to make application for a license and that he will be able to quickly sell enough power to industries at $15 per horsepower year to enable him to finance and carry through the development.

C. A. FULLER,
Manager Bond Department, Metropolitan National Bank.

MINNEAPOLIS, MINN., *October 29, 1929.*

DANIEL R. FORBES,
408 Kellogg Building, Washington, D. C.:

Have known Walter H. Wheeler, engineer, of this city, a number of years. His personal standing here is excellent. From information furnished me by him, I believe he will be able to finance the preliminary work necessary to apply for license. If granted him, he will be able to finance the construction and market the power.

F. M. PRINCE, *First National Bank.*

I include also a brief extract from the hearings before the Committee on Interstate Commerce of the United States Senate of February 19, 1930. Mr. Russell, chief accountant for the Federal Power Commission, is recorded on page 60 as stating:

* * * I have handled some cases out there involving street railways and telephones, and we had no actual value as the basis of the rate. The trouble is to determine the value, and even if they could under the Montana law they have no jurisdiction to regulate securities nor accounting, and when you go into the books of a power company in Montana and you find the books in New York, as you do frequently, the State has its hands tied, because they can not get the books. They can not get the information that the Federal authorities can get. As to the States, if they are functioning, or where they can function, the trouble is many times they have no facilities, have no money, have no equipment, have not the necessary men to do the work. And in many States the law is defective in not giving the State jurisdiction over the issuance of securities and accounting, so that they can determine values. They can only determine that usually upon reproduction costs.

Records also show that in this present case the Montana Power Co. will promptly add to its paper capitalization many millions of dollars, representing the value of the contract with the dummy. Upon this increased capitalization the people of Montana will be required to pay rates which will bring the corporation a fair return.

I have learned enough about this transaction to know that it deserves the careful attention of every Member of this House and indicates that we can not act soon enough in considering and in passing the bill which the Senate has already passed providing for a reorganization of the Federal Power Commission.

The SPEAKER. Under the special order of the House the Chair will recognize the gentleman from Montana [Mr. LEAVITT] for 10 minutes.

Mr. LEAVITT. Mr. Speaker and Members of the House, I congratulate the gentleman from Minnesota [Mr. KVALE] on his presentation on the side of this question upon which he finds himself, but in practically all of the discussions of the subject of the power permit or license on the Flathead River one extremely important thing is either minimized or not discussed at all. That important thing is the fact that the Federal Government would not be a party to the development of this project were it not within an Indian reservation. Speakers

and writers refer to the disposal of this power as though it were the property of the United States, to be sold for the benefit of the people, without regard to its ownership by the Indians. The Government is in this picture only because it is the guardian of this Indian tribe, and the Secretary of the Interior and the Power Commission are charged with the responsibility of requiring a contract which will give the best possible returns to these Indian wards. If these power sites were not on an Indian reservation, the Flathead not being a navigable stream, the Federal water power act would not apply and the jurisdiction would be in the State of Montana.

Let us suppose under these circumstances that the Secretary of the Interior, having been charged with special responsibility in the matter by the provision in the Interior Department appropriation act approved on March 7, 1928, had accepted a bid unreasonably low, thus disposing of an asset of the Indians for the special benefit of the whites, or if he had tied up their asset of power in a preliminary permit to a promotor who had not satisfied him of his ability to finance the necessary construction of the required plants, those posing as special friends of the Indians would have been the first to criticize him.

The provision in the Interior Department appropriation act approved March 7, 1928, to which I have referred places upon the Secretary of the Interior an especial responsibility and authority. I quote the provision in full:

Provided, That the unexpended balance of the $395,000 available for continuation of construction of a power plant may be used, in the discretion of the Secretary of the Interior, for the construction and operation of a power-distributing system and for purchase of power for said project, but shall be available for that purpose only upon execution of an appropriate repayment contract as provided for in said acts: *Provided further,* That the net revenues derived from the operation of such distributing system shall be used to reimburse the United States in the order provided for in said acts: *Provided further,* That the Federal Power Commission is authorized, in accordance with the Federal water power act and upon terms satisfactory to the Secretary of the Interior, to issue a permit or permits or a license or licenses for the use, for the development of power, of power sites on the Flathead Reservation and of water rights reserved or appropriated for the irrigation projects: *Provided further,* That rentals from such licenses for use of Indian lands shall be paid the Indians of said reservation as a tribe, which money shall be deposited in the Treasury of the United States to the credit of said Indians and shall draw interest at the rate of 4 per cent.

I call your attention to the quotation, "Federal Power Commission is authorized, in accordance with the Federal water power act and upon terms satisfactory to the Secretary of the Interior, to issue permits," and so forth. The Federal Power Commission has this authority to issue permits or licenses only upon terms satisfactory to the Secretary of the Interior. That is the law as established by this Congress, and that would still be the law if this matter had been delayed for the forming of a new power commission under the Couzens Act, which has passed the Senate. That new power commission, which I personally favor, would have authority to issue a license in this particular case only upon terms approved by the Secretary of the Interior. What would be gained, then, by the delay? I answer that nothing could be gained and that much would be lost.

I make this assertion because each year of delay deprives the Flathead Indians of the revenue which would come to them as rental of this tribal asset of power, and also because there is still another group of people vitally and legitimately interested in the development of power from the Flathead River, for which some of them have been waiting for nearly 20 years. I refer to the settlers on the Flathead irrigation project. I note here a table with regard to the ownership of the irrigable area of the Flathead irrigation project.

Flathead irrigation project, Montana

(Project data, total Flathead project)

Ultimate irrigable area	acres	124,500
Ownership (ownership recheck, October, 1929):		
463 trust patent Indian allotments	do	22,862
24 fee patent Indian allotments	do	1,750
White owned	do	99,888
Area under constructed works	do	112,500
Population of reservation:		
Indians on tribal rolls		2,908
Whites (estimated)		6,000

From this table you will note that the population of the reservation is practically 2 to 1 white, and that the ownership of irrigable lands is very largely in the hands of white people. About 20 per cent is in Indian hands.

In 1907 the Indian Bureau came to an agreement with the Reclamation Service regarding plans for the development of a great reclamation project on the Flathead Indian Reservation. The allotment of lands to the enrolled members of the Indian tribe was made, and in 1910 the surplus lands were sold to white settlers, who came to the project from many States of the Union, under advertisements sent out by the Government. Among the inducements which brought these people there was a statement to the effect that the development of water power would be greatly to the advantage of these settlers. Before this a beginning had been made on the construction of the proposed power development at the Newell Tunnel, and from 1909 to 1927 18 notices of appropriation of the waters of Flathead River by the United States for the use of the irrigation project were filed in the office of the county clerk and recorder of Flathead and Lake Counties, Mont. These notices complied with the Montana State law and stand as a record of the purpose of the Government that power necessary to pump added water needed for reclamation and for other purposes would be developed.

In 1925 a committee of this House, headed by the gentleman from Michigan [Mr. CRAMTON], visited the project. My colleague from Montana, Judge EVANS, in whose district this reservation lies, and myself were members of the committee. There had been difficulty in securing repayment to the Government, and it was found that this was due considerably to the failure of the Government to have completed the project to assure an adequate and certain supply of water. An agreement was reached intended to bring about the development of sufficient power to supply this lack, utilizing the Newell Tunnel, which had been practically completed at a cost of over $101,000. That amount stood as a charge against the project, but the tunnel had never been driven through. It was required that a repayment contract should be entered into by the project settlers, for the interest of the Government in this matter was not entirely in the settlers themselves but also in the Treasury. An expenditure of over $5,000,000 had been made, and its repayment was a matter of concern to both the settlers and the Government.

It was shortly after this conference that the question was raised as to whether or not it would be better, rather than carry out a small development of this kind, to grant a permit, presumably to be followed by a license, based on an application filed with the Power Commission by the Rocky Mountain Power Co. in 1920.

The value of the larger development would be at least twofold. It could not only be brought about under conditions which would provide the power necessary to the irrigation project but it would also provide a revenue to be paid into the tribal fund of the Flathead Indians.

The power company ultimately made an offer of $1 per horsepower to the Indians, for the development of the first site below the outlet of the Flathead lake, estimating 68,000 horsepower, and meeting the needs of the irrigation project by an offer to provide 10,000 horsepower at 1 mill per kilowatt-hour and an additional 5,000 horsepower at a rate of 2½ mills per kilowatt-hour. While this matter was under negotiation, an application for a permit was filed with the power commission by Walter H. Wheeler of Minneapolis, offering a rate of $1.12½ per horsepower, estimating site No. 1 to be capable of producing 104,000 horsepower and four additional sites down the river as capable of producing 109,000 horsepower. It should be noted that the four lower sites have not been definitely studied by engineers and that Mr. Wheeler did not apply for a license to construct, but for the usual preliminary permit the granting of which would give him a period of two years to carry on studies.

Considering at once the Indian, the irrigation project settlers, and the Federal Government, conclusion has been reached that a license should be issued for the upper site to the Rocky Mountain Power Co., not at the rates offered by either that company or applicant Wheeler but at rates arrived at following consultation and negotiation. Such a license was issued last Friday, and I shall place it at the end of this address. In addition to the rights and equities involving those already mentioned it has in mind people living at the upper end of Flathead Lake, in providing for the control of the lake levels. I shall be pleased to have every Member of the House study this license carefully, and I will discuss it somewhat further later on.

Since word of the terms of this license has been sent out the Secretary of the Interior has received telegrams from a number of Flathead Indians indicating satisfaction with those terms. The gentleman from Minnesota [Mr. KVALE] read a telegram for Coville Dupuis, president of the Flathead tribal council, protesting the award; but let us not forget that on practically every Indian reservation there are at least two groups, each claiming to represent the sentiment of the Indians. The group represented by the telegrams I shall place in the

RECORD is, I am informed, greater in numbers than those represented by the so-called tribal council. Conflicting claims are made to me as to the election of this tribal council. The first telegram I present contains the names of Chief Martin Charlo and Chief Koostata, in addition to Henry Matt, John Charley, Joe Allard, and Joe Irvine. Chief Martin Charlo and Chief Koostata both have their pictures and names on the letterhead of the Flathead tribal council and Joe Allard is the president of a later organization known as the Flathead Indian Association. My belief is that the other signers of the telegram belong to the latter organization. The first telegram is as follows:

RAVALLI, MONT., *May 23, 1930.*

Secretary of the Interior WILBUR,
Washington, D. C.:

We wish to congratulate you on granting the lease on power site near Polson, Mont., to the Rocky Mountain Power Co. The terms of the lease are very good; in fact, better than we expected. Majority of the Indians are very well pleased.

Chief MARTIN CHARLO.
HENRY MATT.
JOHN CHARLEY.
Chief KOOSTATA.
JOE ALLARD.
JOE IRVINE.

I have two other telegrams to the same effect, which I shall ask to have placed in the RECORD at this point.

The SPEAKER. Is there objection to the request of the gentleman from Montana?

There was no objection.

Mr. LEAVITT. Here are the telegrams:

POLSON, MONT., *May 23, 1930.*

RAY L. WILBUR,
Secretary of the Interior:

Have just learned of leasing of power site to Rocky Mountain Power Co. My people well pleased. Terms better than we expected.

Chief KOOSTATA.
ENAS PAUL.
JAMES KILOWATT, *Interpreter.*

POLSON, MONT., *May 23, 1930.*

Secretary of the Interior WILBUR,
Washington, D. C.:

The Indians of the Flathead Reservation want to congratulate you on the excellent terms and rental secured for our first power site from the Rocky Mountain Power Co. It is far better than we had expected.

BAPTIST MARENGO.
GEO. A. JETTE.
BEN DUCHARME.
MARY E. HANCOCK.

Mr. KVALE. Mr. Speaker, will the gentleman yield there?

Mr. LEAVITT. Yes.

Mr. KVALE. The gentleman will admit that the tribal council is the chief governing agency of the tribe, and the chief has no official standing.

Mr. LEAVITT. I am not ready to admit that fully in this case, because my information is in conflict. I am informed that the later organization represents more than the Flathead tribal council, to which the gentleman refers. I will aks for corroboration of that statement from my colleague who represents that district. I will ask him if the Flathead tribal council is representative of the tribe. Is not the Flathead Indian Association representative, rather than the Flathead tribal council?

Mr. EVANS of Montana. I think that is right, but it is not recognized by the Secretary of the Interior as the tribal council.

Mr. CRAMTON. It is the council that has approved bills of $42,000 of one A. A. Grorud for services not authorized by the Interior Department for the Flathead Tribe and it was Grorud who induced Wheeler to make application for this permit.

Mr. KVALE. If the gentleman will yield, I may say that I am sorry that the discussion has taken this personal angle.

Mr. LEAVITT. The question of Grorud was brought in by the gentleman from Michigan, not by myself.

Now as I have said, in 1907 the Reclamation Service was called into conference by the Indian Service, and there was begun within that reservation a great reclamation project.

After the allotment of lands had been made to the members of the Flathead Tribe the remainder of the lands were thrown open to purchase and settlement by white settlers. A group of people were brought together on that reclamation project through a drawing that took place 20 years ago. There are people there from practically every State in the Union, and the Representatives of all the States in the Union ought to be interested in their welfare. Many of those people have waited for 20 years for the completion of that irrigation project, and the development of that power.

The SPEAKER. The time of the gentleman from Montana [Mr. LEAVITT] has expired.

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to proceed for the six minutes which was given to the other gentleman on this debate.

The SPEAKER. The gentleman from Montana asks unanimous consent to proceed for six additional minutes. Is there objection?

There was no objection.

Mr. LEAVITT. Mr. Speaker, when we talk about development of a great power project for the benefit to the people, who are the people? Are they people who will be in this country 10 or 15 or 20 or 50 years in the future, or may they not be people who are now citizens of this country, who have gone on to that project, depending on the good faith of their Government in carrying out the promises made? May the people not include those who are now residents of that section of Montana?

So the problem that confronted the Secretary of the Interior was to decide whether or not there should go forward a small development of the power for the direct benefit of pumping water on the irrigation project, or whether we should consider the application that had been made for a preliminary permit in 1920 by the Rocky Mountain Power Co. for a larger development of power that would also pay into the tribal funds of the Indians year after year a considerable amount.

He approached it from the standpoint of both these groups of people, in the belief that the benefit of the one would be even greater if the rights and benefits of the other were likewise taken into consideration.

Then there entered into the picture this other applicant, brought there, as has been stated, by one claiming to represent the Flathead Tribe of Indians. He entered into an agreement with this tribal council that has been referred to for the development of the power there, when the law specifically states that no legal agreement can be made with an Indian tribe without the definite sanction of the Secretary of the Interior.

He did make a preliminary application for a permit for all five sites on the Flathead River, while the application made by the Rocky Mountain Power Co. was only for site No. 1, the upper site. But in all of the hearings, in all of the proceedings in this case, the applicant for these five sites has not specified his financial backing. With that question continually asked and unanswered in the hearings, these settlers on the reclamation project, greatly interested in whether they were going to have something done now or in another 10 or 20 years, put into the hearings their own opinion of that application:

Mr. Wheeler, who applies merely for a permit, gives no assurance as to when, if ever, he will sell the project power. The record shows that after a few hours at the power site he presented specifications apparently copied from those of the other applicant. The record shows that he can not calculate either the stream flow or the power that can be developed. The record shows that his consulting engineer, a supposed expert on the transmission of power, could not even guess the cost of transmission, and testified that power could be developed at an 18-foot site at the same unit cost as at a 180-foot site.

I will ask consent to place the remainder of this in the RECORD.

Mr. KVALE. Mr. Speaker, reserving the right to object, I would like, then, to have consent to place in the RECORD some indorsements of Mr. Wheeler.

Mr. LEAVITT. I shall surely not object, but I will continue the reading of this:

The record shows that he has no market and his most promising customer turns out to be not even a prospect. Fertilizer could not be produced at the Flathead to compete with that produced elsewhere if power were free. Mr. Wheeler declines to name the engineers he has consulted and the persons whom he claims as possible customers for power. All this would seem to indicate a lack of ability on his part to undertake the problems involved in this development, and this distinctly unfavorable impression is by no means improved when one notes his naïve faith in his fantastic contract with the tribal council. This intervener is opposed to the granting of a permit that would be just a piece of paper.

No one has raised any question about Mr. Wheeler personally. He is being considered only as one who is an applicant for an interest vital to two groups of people in the State of Montana. He has been a successful engineer. He has constructed works of considerable size, but he has never financed any of them that I know of, although he has made a success as a construction engineer. The thing that concerns the people on this project is not whether he could build the works if he had the money but

whether he can get the money to do it if given the permission. He has given no evidence of any such ability at any point in these proceedings.

So the Secretary of the Interior, acting under the mandate of this Congress, has advised the Power Commission, after a considerable period of study, that a certain contract should be entered into.

The SPEAKER. The time of the gentleman from Montana has again expired.

Mr. LEAVITT. Mr. Speaker, I ask unanimous consent to proceed for two additional minutes.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

Mr. LEAVITT. On last Friday this contract was entered into by the Federal Power Commission. Instead of its being left open so that the Rocky Mountain Power Co.—which in a sense is a subsidiary of the Montana Power Co.—can boost its stock and water it, the Secretary of the Interior, largely through the cooperation of Mr. Scattergood in the Indian Office, has written into this contract such terms as make that sort of a thing impossible, foreseeing that there would be that kind of a criticism. I will ask unanimous consent to place the entire contract in the RECORD, so that the Members of this House may ascertain whether or not I am telling the truth in that connection.

Now, as to the prices that are to be paid. There were two bids. Mr. Wheeler, after the Rocky Mountain Power Co. had bid $1 per horsepower on the upper site alone, and an estimate of 68,000 horsepower to be developed, put in a bid not for a permit to construct but for a permit to study the matter for two years and see whether he could finance it. He bid at the rate of $1.12½ per horsepower. He said, "If you will give it to me, I will study the thing to see if I can not develop the five sites," but he never guaranteed to develop any site. On the other hand, here was the Rocky Mountain Power Co.—a concern which the people of Montana know to be financially sound and able to do what it undertakes—bidding $1 per horsepower. But the Secretary of the Interior and the Indian office, before accepting the bid, went into the proposition to find out how much ought to be secured in the way of rentals for the Indians, and they wrote terms, which you will find in this contract, which call for practically twice as much as had been bid by either for the upper site.

The SPEAKER. The time of the gentleman from Montana has again expired.

Mr. KVALE. Mr. Speaker, I ask unanimous consent that the gentleman may proceed for an additional minute.

The SPEAKER. Without objection it is so ordered.

There was no objection.

Mr. LEAVITT. As to the four lower sites being eternally bottled up because the upper site is to be developed, let me say this: That I have authority to say at this time—having discussed that matter—that if anyone is still interested in those four lower sites, including Mr. Wheeler, they can go in and get permission to carry on and see whether they can bring all of these proposed industries into that section where they do not now exist. If they can do that, they will have the complete protection of the Power Commission. There will be written into a contract—I am sure, that will be entered into—the prorating of the cost of development of the reservoir for the holding and impounding of the water in Flathead Lake.

If I had the time, there are many other points I would like to refer to; but, Mr. Speaker, I will now ask unanimous consent to insert in the RECORD the contract which was entered into in this matter and certain official correspondence.

The SPEAKER. Without objection, it is so ordered.

There was no objection.

The contract and letter referred to follow:

THE FEDERAL POWER COMMISSION LICENSE ON GOVERNMENT LANDS PROJECT NO. 5, MONTANA, ROCKY MOUNTAIN POWER CO.

Whereas by act of Congress, approved June 10, 1920 (41 Stat. 1063), designated therein as "The Federal water power act" and hereinafter called "the act," the Federal Power Commission, hereinafter called "the commission," is authorized and empowered, inter alia, to issue licenses for the purpose of constructing, operating, and maintaining dams, water conduits, reservoirs, power houses, transmission lines, or other project works necessary or convenient for the development, transmission, and utilization of power across, along, from, or in any of the navigable waters of the United States, or upon any part of the public lands and reservations of the United States (including the Territories), or for the purpose of utilizing the surplus water or water power from any Government dam; and

Whereas by act of Congress, approved March 7, 1928 (45 Stat. 212, 213), the commission was specifically authorized, in accordance with the Federal water power act and upon terms satisfactory to the Secretary of the Interior, to fsue a permit or permits or a license or licenses for the use, for the development of power, of power sites on the Flathead Reservation and of water rights reserved or appropriated for the irrigation projects; and

Whereas Rocky Mountain Power Co., hereinafter called "the licensee," a corporation organized and existing under the laws of the State of Delaware and having its office and principal place of business in the city of Butte, in the State of Montana, has made application in due and proper form to the commission for a license for a power project designated as project No. 5 on the records of the commission, and for authority to construct, maintain, and operate, in Flathead River and Flathead Lake, in the vicinity of Polson, in the counties of Flathead and Lake, State of Montana, certain project works, as hereinafter described, necessary or convenient for the development and improvement of navigation and for the development, transmission, and utilization of power across, along, from, and in navigable waters of the United States; and to occupy and use therefor certain public lands and reservations of the United States, as hereinafter described, together with all riparian rights appurtenant thereto which are necessary or useful for the purposes of the project; and water rights for power purposes reserved or appropriated for Indian irrigation projects; and

Whereas the licensee has submitted to the commission satisfactory evidence of its compliance with the laws of the State of Montana as required by section 9, subsection (b) of the act, and the commission is satisfied as to the ability of the licensee to carry out the plans for said project as filed with said application; and

Whereas notice of said application has been given and published by the commission, as required by section 4 of the act; full opportunity has been given to all interested parties to be heard, and no application for said project, or in conflict therewith, has been filed by any State or municipality; and

Whereas the maps, plans, and specifications of said project and of said project works, as hereinafter described, have been approved by the commission, and the plans of the dam and other structures affecting navigation have been approved by the Chief of Engineers and the Acting Secretary of War; and the terms set forth in this license are satisfactory to the Secretary of the Interior as required by the act of March 7, 1928 (45 Stat. 212, 213); and

Whereas all charges for defraying the expense of administering the provisions of the Federal water power act were waived by the provisions of the act of March 4, 1929 (45 Stat. 1640); and

Whereas the commission has found that said project, as hereinafter described, will be best adapted to a comprehensive scheme of improvement and utilization of said waterway for the purposes of navigation, of water-power development, and other beneficial public uses; and

Whereas the licensee on the 20th day of May, 1930, pursuant to an authorization of its board of directors, a copy of the record thereof being hereto attached, accepted in writing all the terms and conditions of the act and of this license: Now, therefore,

The commission hereby issues this license to the licensee for the purpose of constructing, operating, and maintaining certain project works necessary or convenient for the development and improvement of navigation and for the development, transmission, and utilization of power across, along, from, or in the Flathead River and Flathead Lake, navigable waters of the United States, and constituting a part of the project hereinafter described; said license, including the period thereof, being subject to all the terms and conditions of the act and of the rules and regulations of the commission pursuant thereto as amended and made effective on the 1st day of May, 1928, as though fully set forth herein, which said rules and regulations are attached hereto and made a part hereof, and being subject also to the following express conditions and limitations, to wit:

ARTICLE 1. This license is issued for a period of 50 years from the date hereof, and in consideration of such license and the benefits and advantages accruing thereunder to the licensee it is expressly agreed by the licensee that the entire project, project area, and project works as hereinafter designated and described, whether or not located in, on, or along said Flathead River and Lake or upon lands of the United States, shall be subject to all the terms and conditions of this license, including the terms and conditions of the act and of the rules and regulations of the commission pursuant thereto and made a part of this license.

ART. 2. The project covered by and subject to this license is designated as Flathead site No. 1, is located partly on public lands and reservations of the United States, and consists of—

(a) All lands constituting the project area and inclosed, or the location of which is shown, by the project boundary, and/or interests in such lands necessary or useful for the purposes of the project, whether such lands or interests therein are owned or held by the licensee or by the United States, such project area and project boundary being more fully shown and described by certain exhibits which accompanied said application for license and which are designated and described as follows:

Exhibit J: Map in one sheet designated "Flathead development general map" (F. P. C. No. 5–1).

Exhibit K: Map in four sheets designated "Flathead development project map" (F. P. C. No. 5–4, 5, 6, 7).

Exhibits J and K: Signed Rocky Mountain Power Co., by F. M. Kerr, vice president.

(b) All project works, consisting of a concrete dam in and across the Flathead River about 4 miles below the outlet of Flathead Lake.

A reservoir in said Flathead River and Lake.

Water conduits about 770 feet long, including an intake at the upper end of each such conduit.

A power house and appurtenant equipment, such project works being more fully shown and described by certain exhibits which accompanied said application for license and which are designated and described as follows:

Exhibits J and K: Cited above.

Exhibit L: Map in two sheets designated "Flathead development general plan" (F. P. C. No. 5–8), and "Flathead development dam analysis" (F. P. C. No. 5–9).

Exhibit M: Four typewritten sheets designated "General description of plant and equipment, Flathead development."

Exhibits L and M: Signed Rocky Mountain Power Co., by F. M. Kerr, vice president.

(c) All other structures, fixtures, equipment, or facilities used or useful in the maintenance and operation of the project and located upon the project area, including such portable property as may be used and useful in connection with the project or any part thereof, whether located on or off the project area, if and to the extent that the inclusion of such property as a part of the project works is approved or acquiesced in by the commission; also all other rights, easements, or interests the ownership, use, occupancy, or possession of which is necessary or appropriate in the maintenance and operation of the project or appurtenant to the project area.

ART. 3. The maps, plans, specifications, and statements designated and described in article 2 hereof as Exhibits J, K, L, and M, respectively, and approved by the executive secretary for the commission in accordance with its authorization of May 19, 1930, are hereby made a part of this license, and no substantial change shall hereafter be made in said exhibits, or any of them, until such change shall have been approved by the commission: *Provided, however,* That if the licensee deems it necessary or desirable that said approved maps, plans, specifications, and statements, or any of them, be changed there shall be submitted to the commission for approval amended, supplemental, or additional maps, plans, specifications, and statements covering the proposed changes, and upon approval by the commission of such proposed changes such amended, supplemental, or additional maps, plans, specifications, and statements shall become a part of this license and shall supersede, in whole or in part, such map, plan, specification, or statement, or part thereof, theretofore made a part of this license as may be specified, respectively, in the order or indorsement of approval.

ART. 4. Said project works shall be constructed in substantial conformity with the approved maps, plans, and specifications thereof made a part of this license and designated and described in articles 2 and 3 hereof or as changed in accordance with the provisions of said article 3. Except when emergency shall require for the protection of navigation, life, health, or property, no substantial alteration or addition not in conformity with the approved plans shall be made to any dam or other project works constructed under this license without the prior approval of the commission; and any emergency alteration or addition so made shall thereafter be subject to such modification and change as the commission shall direct. Minor changes in or divergence from such approved maps, plans, and specifications, may be made in the course of construction, if such changes will not result in decrease in efficiency, in material increase in cost, or in impairment of the general scheme of development; but any such minor changes made without the prior approval of the commission which in its judgment have produced or will produce any of such results shall be subject to such alteration as the commission may direct.

ART. 5. The work of construction under this license, whether or not conducted upon lands of the United States, shall be subject to the inspection and approval of the district engineer, United States engineer office, Seattle, Wash., or of such other officer or agent as the commission may designate, who shall be the authorized representative of the commission for such purposes. The licensee shall notify such representative of the date upon which work will begin, and as far in advance thereof as said representative may reasonably specify, and shall notify him promptly in writing of any suspension of construction for a period of more than one week, and of its resumption and completion.

ART. 6. Subject to the provisions of section 13 of the act, the licensee shall begin the construction of said project works within one year from the date of issuance hereof, shall thereafter, in good faith and with due diligence, prosecute such construction, and shall within three years thereafter complete the installation of three units of not less than 150,000 horsepower, aggregate capacity.

ART. 7. Upon the completion of the project works, or at such other time as the commission may direct, the licensee shall submit to the commission for approval revised maps, plans, specifications, and statements, in so far as necessary to show any divergence from or variations in the project area as finally located or in the project works as constructed when compared with the area shown and the works designated or described in this license or in the maps, plans, specifications, and statements approved by the commission under the provisions of article 3 hereof, together with a statement in writing setting forth the reasons which in the opinion of the licensee necessitated or justified variations in or divergence from the approved maps, plans, specifications, and statements. Such revised maps, plans, specifications, and statements shall, if and when approved by the commission, be made a part of this license and shall, to the extent and in the particulars set forth in the order or indorsement of approval, be substituted for the maps, plans, specifications, and statements theretofore approved by the commission under the provisions of article 3 hereof. The maps finally approved by the commission and made a part of this license under the provisions of article 3 and/or 7 hereof shall show the project area to an adequate scale and the boundary thereof either by legal subdivisions, by metes and bounds survey, or by uniform offsets from center-line survey. Said project area shall include all lands without respect to ownership and whether or not the exact boundaries can be definitely fixed and determined, the use and occupancy of which are or will be valuable or serviceable in the maintenance and operation of the project; on which are located or to which are appurtenant the project works (other than portable property) and the rights, easements, or interests likewise valuable and serviceable; and the ownership or possession, or the right of use and occupancy, of which are subject to acquisition by the United States under the provisions of section 14 of the act. Said maps shall show the ownership of each parcel of land in said project area, and with respect to each parcel to which the licensee has not the fee title, the character of the right of use and occupancy possessed by the licensee together with the term of such right.

ART. 8. For the purpose of determining the stage and flow of the stream or streams from which water is to be diverted for the operation of said project works and of the amount of water held in and drawn from storage, the licensee shall install, as soon as practicable, and thereafter maintain standard recording gages in Flathead Lake at the northern and southern ends, on Flathead River below the power plant, and on the principal streams tributary to Flathead Lake; and shall provide for the required readings of such gages and for the adequate rating of said station or stations. The licensee shall also install and maintain standard meters adequate for the determination of the amount of electric energy generated by said project works. The number, character, and location of gages, meters, or other measuring devices, and the method of operation thereof, may be altered from time to time if necessary to secure adequate determinations, but such alteration shall not be made except with the approval of the commission or its authorized representative or upon the specific direction of the commission. The installation of gages, the ratings of said stream or streams, and the determination of the flow thereof shall be under the supervision of or in cooperation with the district engineer of the United States Geological Survey having charge of stream-gaging operations in the region of said project, and the licensee shall advance to the said United States Geological Survey the amounts estimated to be necessary for such supervision or cooperation for such periods as may be mutually agreed upon. The licensee shall keep accurate and sufficient records of the foregoing determinations to the satisfaction of the commission, shall make return of such records annually at such time and in such form as the commission may prescribe.

ART. 9. The licensee shall be liable for all damages occasioned to the property of others, including lands allotted in severalty to the Indians, by the construction, maintenance, or operation of said project works, or of the works appurtenant or necessary thereto, and in no event shall the United States be liable therefor; nor does this license guarantee the validity of any reservations contained in the patent to any allottee or other grantee of Indian lands, whether in trust or in fee.

ART. 10. In the construction and maintenance of the project works herein specified the licensee shall place and maintain suitable structures to reduce to a reasonable degree the liability of contact between its transmission lines and telegraph, telephone, and other signal wires or power transmission lines not owned by the licensee, and shall also place and maintain suitable structures and devices to reduce to a reasonable degree the liability of any structures or wires falling and obstructing traffic and endangering life on highways, streets, or railroads.

ART. 11. The licensee shall allow officers and employees of the United States free and unrestricted access in, through, and across the said project and project works in the performance of their official duties.

ART. 12. The licensee shall be liable for injury to, or destruction of, any buildings, bridges, roads, trails, lands (except lands referred to in other provisions of this license), or other similar property of the United States, occasioned by the construction, maintenance, or operation of the project works or of the works appurtenant or accessory thereto constructed under the license. Arrangements to meet such liability either by compensation for such injury or destruction, reconstruction, or repair of damaged property, or otherwise, shall be made with the appropriate department or agency of the United States.

ART. 13. Timber upon public lands and reservations of the United States, to be used or destroyed in the construction of the project works,

shall be paid for in accordance with the requirements and estimates of the department concerned.

ART. 14. The licensee shall, before placing any transmission line into operation, make provision satisfactory to the commission for avoiding inductive interference between such transmission line and any existing telephone line or lines of the United States, or with any such line or lines for which location has been made and specifications prepared but upon which construction has not begun at the time of erection of said transmission line. Such provisions may be applied either to the transmission line or to the telephone line or to both, as may be determined upon the basis of least cost. The licensee hereby agrees to assent to such changes in the location or design of any of its transmission lines as may in the opinion of the commission be necessary or desirable in order to avoid inductive interference with any telephone line or lines of the United States hereafter constructed or proposed to be constructed, provided such changes are made at the expense of the United States.

ART. 15. The licensee shall clear of all trees, logs, brush, or other débris, up to elevation 2893, the margins of Flathead Lake and those portions of Flathead River which shall be used for reservoir purposes under this license, and shall dispose to the satisfaction of the commission or its designated representative, of all the brush and débris resulting from such clearing, together with all temporary structures and refuse left on public lands and reservations of the United States from the construction and maintenance of said project works. In addition, the licensee shall cut and remove any trees or brush lying above elevation 2893 which may be killed due to the regulation of Flathead Lake for storage purposes.

ART. 16. The licensee shall permit the use of any reservoir included in the project for the temporary storage or for the transportation of logs, ties, poles, lumber, or other forest products: *Provided,* That the use of said reservoir by owners of such logs, ties, poles, lumber, or other forest products shall be under such rules and regulations adopted by the licensee as may be approved by the Secretary of Agriculture.

ART. 17. The licensee will interpose no objections to and will in no way prevent the use of water for domestic purposes by persons or corporations occupying public lands and reservations of the United States under permit along or near any stream or body of water, natural or artificial, used by the licensee in the operation of the project works covered by this license.

ART. 18. The licensee hereby recognizes the right of the United States to pump from the Flathead Lake or from Flathead River above licensee's dam for all purposes of irrigation on the Flathead irrigation project or the lands of the Flathead Reservation, whether included in the irrigation project or not, not more than 50,000 acre-feet of water after July 15 of any one year.

ART. 19. The licensee shall do everything reasonably within its power and shall require its employees, contractors, and employees of contractors to do everything reasonably within their power, both independently and upon request of officers of the Forest Service, or other agents of the United States, to prevent and suppress fires on or near the lands to be occupied under this license.

ART. 20. Whenever the United States shall desire to construct, complete, or improve navigation facilities the licensee shall convey to the United States, free of cost, such of its lands and its rights of way and such right of passage through its dam or other structures, and permit such control of pools as may reasonably be required to construct, maintain, and operate such navigation facilities.

ART. 21. The operations of the licensee, in so far as they affect the use, storage, and discharge from storage of the water of Flathead Lake, shall at all times be controlled by such reasonable rules and regulations as the Secretary of War may prescribe in the interests of navigation, and as the Federal Power Commission may prescribe in the interests of flood control and of the fullest practicable utilization of the waters of Flathead River and Clark Fork for power, irrigation, and other beneficial public uses.

ART. 22. The licensee agrees that all rights acquired in connection with the project covered by this license and the use of water for the development of power shall be held subject to the rights which may be reasonably necessary for the complete development of the irrigable land, the domestic water-supply requirements, and the water-power possibilities in the watershed above the project works. The licensee further agrees to waive objections to the subtraction of such water up to a maximum flow of 200 cubic feet per second, as may be authorized under either Federal or State authority for diversion out of the watershed above the project works.

ART. 23. The licensee may regulate Flathead Lake between elevations 2883 and 2893: *Provided, however,* That the commission retains the right, at any time prior to the beginning of commercial operation of the project, to define limits of such regulation between elevation 2880 and 2893 in such manner as will make not less than 1,100,000 acre-feet of storage capacity available to the licensee, it being expressly understood that licensee shall not be restricted to less than 10 feet between the minimum and maximum elevations within which to carry on its regulations of Flathead Lake. It is expressly understood that variations by the commission of any limits of regulation which may be fixed as aforesaid shall not affect the rentals provided for in article 30 hereof. It is expressly understood that if and when water is pumped from Flathead Lake or from Flathead River above licensee's dam after July 15 in any year for purposes of irrigation, as provided in article 18 hereof, the licensee shall be permitted in the months of January, February, and March of the next succeeding year to regulate Flathead Lake, below the minimum elevation which may be fixed as aforesaid, to the extent necessary to enable it to recover the amount of water so pumped for irrigation purposes. Said elevations are in feet above mean sea level as determined by reference to a certain United States Geological Survey bench mark, elevation 2,910.882 feet, stamped "2900 GN." as now located and established at Somers, Flathead County, or to such other bench marks as may be established by the United States Geological Survey having the same datum. As a basis of determination of the aforesaid storage limits the licensee shall complete the mapping of lands bordering Flathead Lake and River and of the lake bed between elevations 2878 and 2900 uniform with the maps already completed by the Geological Survey at the north end of the lake, and shall continue to finance the collection of records of ground-water elevations in the area at the head of Flathead Lake, and the study and interpretation of such records. The licensee also agrees to perform such channel excavation and other work as may reasonably be required by the commission for the purpose of flood control to the end that the normal flood levels of Flathead Lake shall not be increased by reason of the installation of the project works, and for the purpose of full utilization of storage and navigation.

ART. 24. In consideration of the use to be made of the partially completed Newell Tunnel, the licensee shall pay into the Treasury of the United States the sum of $101,685.11, such payment to be made within nine months from and after the date of this license and to be a part of and included in the licensee's net investment in the project.

ART. 25. For the purpose of preventing the entrance of fish into the turbines of the power plant the licensee shall install and maintain such fish stops or other equipment as may reasonably be prescribed by the Secretary of Commerce.

ART. 26. Coincident with the beginning of commercial operation of the project works and thereafter throughout the remainder of the term of the license, licensee shall make available, at the project boundary at or near the licensee's generating station, and the United States, for and on behalf of the Flathead irrigation project or the Flathead irrigation district, may take and, having taken, shall pay for, at the price of 1 mill per kilowatt-hour: (1) Electrical energy in an amount not exceeding 5,000 horsepower of demand to be used exclusively for pumping water for irrigation; and (2) electrical energy in an amount not exceeding 5,000 horsepower of demand for all project and farm uses and for resale. Such deliveries shall be made at such standard voltage as may be selected by the commission. The licensee shall also make available, at the voltage of the line from which service is taken, either at the project boundary at or near the licensee's generating station, or at some more convenient place on the project to be agreed upon, and the United States, for and on behalf of the Flathead irrigation project or the Flathead irrigation district, may take, and having taken, shall pay for, at the price of 2½ mills per kilowatt-hour, additional electrical energy in an amount not exceeding 5,000 horsepower of demand for all project and farm uses and for resale.

ART. 27. The licensee shall, during the period of construction, deliver at line voltage and at a point to be agreed upon on the line or lines which it will construct, to supply power for construction purposes, power for farm and project purposes on the Flathead irrigation project or the Flathead irrigation district, in quantities required by the United States for said purposes up to a maximum demand of 500 horsepower, at the price of 2½ mills per kilowatt-hour.

ART. 28. The United States reserves to itself or to the Flathead irrigation project management, the exclusive right to sell power within the boundaries of the Flathead Indian Reservation, to the extent of 10,000 horsepower to be delivered for use and/or sale as provided in article 26 hereof.

ART. 29. The licensee shall pay to the United States reasonable annual charges for recompensing it for the use, occupancy, and enjoyment of public and reserved lands (not including Indian tribal lands) or other property hereinbefore described. The payment by the licensee of such annual charges for any calendar year shall be made to the United States at the end of the year, or within 30 days thereafter, upon bills rendered or approved by the commission. Such charges shall be determined in accordance with the provisions of regulation 14 of said rules and regulations of the commission, and for the purposes of such determination, the prime power capacity of the project shall be taken as 80,000 horsepower.

ART. 30, (A). The licensee shall pay into the United States Treasury as compensation for the use, in connection with this license, of the Flathead Indian tribal lands annual charges computed as follows:

(1) A charge at the rate of $1,000 per calendar month beginning with the month in which the license is issued and extending to and including the month in which the project is placed in commercial operation. For the purpose of the payments under this article, the beginning of commercial operation shall be considered as the time

when one of the licensee's generating units shall have been installed, tested, and demonstrated to be in suitable condition to produce electric energy for commercial purposes with a reasonable degree of reliability.

(2) A charge at the rate of $5,000 per month beginning with the calendar month next succeeding the date on which the project is placed in commercial operation and extending to the end of the calendar year in which such commercial operation shall commence.

(3) For each full calendar year from and after the 1st of January next following the date on which the first unit is placed in commercial operation, annual charges will be as follows:

For the first two years	per year	$60,000
For the third year		75,000
For the fourth year		100,000
For the fifth year		125,000
For the next five years	per year	150,000
For the next five years	do	160,000
For the next five years and/or until readjustment of the annual charges payable hereunder shall have been effected pursuant to the provisions of paragraph (D) of this Article 30	per year	175,000

(B) Payments shall be made for each calendar year within 30 days after the close thereof on bills rendered by the commission.

(C) Pursuant to the provisions of the act of March 4, 1929 (45 Stat. 1640), all charges for reimbursing the United States for the cost of administration of the Federal water power act have been and are hereby expressly waived.

(D) The annual charges payable under this license may be readjusted at the end of 20 years after the beginning of operation under this license and at periods of not less than 10 years thereafter by mutual agreement between the commission and the licensee, with the approval of the Secretary of the Interior. In case the licensee, the commission, and the Secretary of the Interior can not agree upon the readjustment of such charges, it is hereby agreed that the fixing of readjusted charges shall be submitted to arbitration in the manner provided for in the United States arbitration act (U. S. C., title 9), such readjusted annual charges to be reasonable charges fixed upon the basis provided in section 5 of regulation 14 of the commission, to wit, upon the commercial value of the tribal lands involved, for the most profitable purpose for which suitable, including power development.

Article 31. The licensee having submitted a claim of prelicense cost to January 31, 1929, of $183,312.47 and the solicitor of the commission having recommended the rejection of items contained therein aggregating a total of $85,088.76, the commission and the licensee hereby mutually agree that the sum of $98,223.71 shall be entered upon the fixed capital accounts of said project and included in the statement to be submitted to the commission, in accordance with the provisions of article 32 hereof as representing the actual legitimate investment in said project up to and including January 31, 1929: *Provided, however,* That this agreement shall not deny or affect the licensee's right, within one year from and after the date of this license, to submit further evidence to the commission or to any court having jurisdiction for the purpose of establishing the propriety of any part of said $85,088.76.

Article 32. Upon the completion of the construction of said project or of each of the separable parts thereof for which dates of completion are specified in article 6 hereof, or of any addition to or betterment of said project, the licensee shall file with the commission a statement under oath in duplicate showing the actual legitimate cost of construction thereof and the price paid for water rights, lands, or interest in lands appurtenant to such construction as required by regulation 20, section 2, of said rules and regulations of the commission. Any such statement shall include all proper and legitimate costs, whether incurred prior to issuance of license or on and after such date; and the licensee shall, if requested by the commission, show separately on any such statement, or on a special report or reports, the items and amounts of cost incurred prior to date of issuance of license, with such other details as the commission may require. Each and every item of cost included in any such statement shall be supported by proper voucher or other evidence; and any such voucher or evidence, or certified copy thereof, in support of any item properly includible in said cost shall become a part of the permanent records of said project and shall be kept and retained by the licensee in the manner required by the commission. Any statement or report submitted to the commission under the provisions of this article shall be subject to the provisions of section 6 of said regulation 20.

ART. 33. Whenever the licensee is directly benefited by the construction work of another licensee, a permittee, or of the United States of a storage reservoir or other headwater improvement, the licensee shall reimburse the owner of such reservoir or other improvement for such part of the annual charges for interest, maintenance, and depreciation thereon as the commission may deem equitable. The proportion of such charges to be paid by the licensee shall be determined from time to time by the commission. Whenever such reservoir or other improvement is constructed by the United States the licensee shall pay similar charges into the Treasury of the United States upon bills rendered by the commission.

ART. 34. After the first 20 years of operation of said project under this license, out of surplus earned thereafter, if any, accumulated in excess of a specified reasonable rate of return upon the actual legitimate investment of the licensee in said project, all as defined in and determined by the provisions of regulation 17 of said rules and regulations of the commission, the licensee shall establish and maintain amortization reserves, which reserves shall, in the discretion of the commission, be held until the termination of the license or be applied from time to time in reduction of the net investment. Such specified rate of return shall, subject to the proviso of paragraph A, section 3, of said regulation, be one and one-half times the weighted average annual interest rate payable on the par value of the bone fide interest-bearing debt of the licensee actually outstanding, in whole or in part, on account of project property at the beginning of the period of amortization and of each calendar year thereafter; such weighted average annual interest rate being determined as provided in paragraphs B and C of section 3 of said regulation 17: *Provided,* That if at the beginning of the period of amortization or of any calendar year thereafter, the outstanding interest-bearing debt of the licensee on account of the project or projects under license, together with any other works or property operated in connection therewith, is less than 25 per cent of the actual legitimate investment of the licensee in said project or projects; then and in such event for the calendar year next following the specified rate of return shall be two times the legal rate of interest in the State in which the project or major part thereof is located.

Subject to the provisions of section 6 of said regulation, the following proportions of such surplus earnings shall be paid into and held in such amortization reserves: Of all surplus earnings up to and including 2 per cent upon the actual legitimate investment, 30 per cent thereof shall be so paid; of all surplus earnings in excess of 2 per cent and not in excess of 4 per cent upon such investment, 50 per cent thereof shall be so paid; of all surplus earnings in excess of 4 per cent and not in excess of 6 per cent, 70 per cent thereof shall be so paid; and of all surplus earnings in excess of 6 per cent, 90 per cent thereof shall be so paid: *Provided,* That if at the end of any calendar year of the amortization period the commission shall find that the accumulated earnings of the licensee during the period of operation, including the first 20 years thereof, have not yielded a fair return upon the actual legitimate investment in the project or projects under license, the proportion of such surplus earnings for such calendar year and for succeeding calendar years to be paid into such amortization reserves shall be 10 per cent thereof until such time as the accumulated earnings of the licensee represent, in the judgment of the commission, a fair return upon such investment for such period of operation.

ART. 35. No lease of said project or part thereof whereby the lessee is granted the exclusive occupancy, possession, or use of project works for purposes of generating, transmitting, or distributing power shall be made without the prior written approval of the commission; and the commission may, if in its judgment the situation warrants, require that all the conditions of this license, of the act, and of said rules and regulations of the commission shall be applicable to such lease and to such property so leased to the same extent as if the lessee were the licensee hereunder: *Provided,* That the provisions of this article shall not apply to parts of the project or project works which may be used by another jointly with the licensee under a contract or agreement whereby the licensee retains the occupancy, possession, and control of the property so used and receives adequate consideration for such joint use, or to leases of land while not required for purposes of generating, transmitting, or distributing power, or to buildings or other property not built or used for said purposes, or to minor parts of the project or project works the leasing of which will not interfere with the usefulness or efficient operation of the project by the licensee for said purposes. The licensee agrees that it will continue its separate corporate existence under the regulations of the Federal Power Commission, and that it will not enter into any merger with any other corporation or individual without the approval of the Federal Power Commission, previously obtained.

ART. 36. The licensee agrees that it will enter into a contract with the Montana Power Co. under which all electrical power or energy generated by the project covered by this license, except that delivered to or reserved for the United States pursuant to the provisions of this license, shall be delivered to or made available for said the Montana Power Co. or its nominee upon the payment to the licensee of an annual amount approximately sufficient to meet the operating expenses and maintenance costs, taxes, accruals for depreciation and rentals (including the rental charges provided for by this license) and in addition an average return of 8 per cent per annum on its actual legitimate investment in all facilities and property covered by this license and used in the generation and delivery of such power, as established under the provisions of the Federal water power act, and the rules and regulations of the commission issued in pursuance thereof. A duly certified copy of said power contract shall be filed with the commission.

ART. 37. It is hereby understood and agreed that the licensee, its successors and assigns, will, during the period of this license, retain

the possession of all project property covered by this license as issued or as hereafter amended, including the project area, the project works, and all franchises, easements, water rights, and rights of occupancy and use; and that none of such properties valuable and serviceable to the project and to the development, transmission, and distribution of power therefrom will be voluntarily sold, transferred, abandoned, or otherwise disposed of without the approval of the commission: *Provided*, That a mortgage or trust deed or judicial sales made thereunder, or tax sales, shall not be deemed voluntary transfers within the meaning of this article. The licensee further agrees, on behalf of itself, its successors and assigns, that, in the event said project is taken over by the United States upon the termination of this license, as provided in section 14 of the act, or is transferred to a new licensee under the provisions of section 15 of the act, it will be responsible for and will make good any defect of title to or of right of user in any such project property which is necessary or appropriate or valuable and serviceable in the maintenance and operation of the project, and will pay and discharge or will assume responsibility for payment and discharge of all liens or incumbrances upon said project or project property created by said licensee or created or incurred after the issuance of this license: *Provided*, That the provisions of this article are not intended to prevent the abandonment or the retirement from service of structures, equipment, or other project works in connection with replacements thereof when they become obsolete, inadequate, or inefficient for further service due to wear and tear, or to require the licensee for the purpose of transferring the project to the United States or to a new licensee to acquire any different title or right of user in any such project property than was necessary to acquire for its own purposes as licensee.

ART. 38. The licensee shall abide by such reasonable regulation of the services to be rendered to customers or consumers of power, and of rates and charges of payment therefor, as may from time to time be prescribed by any duly constituted agency of the State in which the service is rendered or the rate charged; and in case of the development, transmission, distribution, sale, or use of power in public service by the licensee or by its customers engaged in public service within a State which has not authorized and empowered a commission or other agency or agencies within said State to regulate and control the services to be rendered by the licensee or by its customers engaged in public service, or the rates and charges of payment therefor, or the amount or character of securities to be issued by any of said parties, it is agreed as a condition of this license that jurisdiction is hereby conferred upon the commission, upon complaint of any person aggrieved or upon its own initiative, to exercise such regulation and control until such time as the State shall have provided a commission or other authority for such regulation and control: *Provided*, That the jurisdiction of the commission shall cease and determine as to each specific matter of regulation and control prescribed in this article as soon as the State shall have provided a commission or other authority for the regulation and control of that specific matter.

ART. 39. The licensee agrees that its securities shall be issued only (1) to the Montana Power Co. upon condition that they shall be retained by said the Montana Power Co., it being understood that none of such securities shall be disposed of by said the Montana Power Co. (except to a trustee or trustees under one of its mortgages or deeds of trust as hereinafter provided) without the express approval of the commission previously had and obtained, and/or (2) to a trustee or trustees under any mortgage or deed of trust securing the issuance of bonds or other securities of said the Montana Power Co., to be held subject to the provisions of such mortgage or deed of trust. Such securities shall be sold to the Montana Power Co. for cash or its equivalent.

ART. 40. The licensee agrees that full and complete copies of rate schedules and all contracts of the licensee or of the Montana Power Co. for management and supervision of its or their affairs, or for general construction, which involve the licensee or the project covered by this license, shall be filed with the Federal Power Commission promptly after execution. The licensee agrees to file annually with the Federal Power Commission copies of its annual reports and also copies of the Montana Power Co.'s annual reports as rendered to the Montana Public Service Commission.

ART. 41. With the written consent of the licensee, the commission may, by order made under its seal, and after the public notice required by section 6 of the act, modify, alter, enlarge, or omit, in so far as authorized by law, any one or more of the conditions or provisions of this license: *Provided, however*, That any such change in the terms of this license that may affect the interests of the Flathead Indians shall also be subject to approval by the Secretary of the Interior.

ART. 42. The enumeration herein of any rights reserved to the United States or to any State or municipality under the act, or of any requirements of the act, or of said rules and regulations of the commission shall not be construed in any degree as impairing any other rights so reserved by the act or as limiting the force of any other requirement of said act or of said regulations.

In witness whereof, the Federal Power Commission has caused its name and seal to be hereto signed and affixed by its executive secretary, F. E. Bonner, this 23d day of May, 1930, pursuant to authority given at its meeting of May 19, 1930, a certified copy of the record thereof being hereto attached.

FEDERAL POWER COMMISSION,
By F. E. BONNER,
Executive Secretary.

Approved May 23, 1930.

RAY LYMAN WILBUR,
Secretary of the Interior.

In testimony of acceptance of all the terms and conditions of the Federal water power act of June 10, 1920, and of the further conditions imposed in the foregoing license the licensee, this 20th day of May, 1930, has caused its name and corporate seal to be hereto signed and affixed by John D. Ryan, its president, pursuant to a resolution of its board of directors passed on the 20th day of May, 1930, a certified copy of the record thereof being hereto attached.

ROCKY MOUNTAIN POWER CO.
By JOHN D. RYAN, *President.*

Attest:

J. F. DENISON, *Secretary.*

In consideration of the benefits to accrue to the Montana Power Co., a corporation organized and existing under the laws of the State of New Jersey, from the operation of the project which is the subject of the foregoing license, said the Montana Power Co., hereunto duly authorized by resolution of its board of directors, a certified copy of which is hereto attached, hereby guarantees the full performance by Rocky Mountain Power Co., licensee thereunder, of all the terms and conditions of article 6 of said license relating to the commencement of construction of the project works, to the due prosecution of such construction, and to the completion of the installation of three units of not less than 150,000 horsepower aggregate capacity, all as provided in said license. The undersigned company further agrees that it will enter into a power contract with said licensee as provided for in article 36 of said license.

THE MONTANA POWER CO.,
By FRANK SILLIMAN, Jr., *Vice President.*

Attest:

J. F. DENISON, *Secretary.*

Approved and accepted this 23d day of May, 1930.

FEDERAL POWER COMMISSION,
By F. E. BONNER, *Executive Secretary.*

Approved May 23, 1930.

RAY LYMAN WILBUR,
Secretary of the Interior.

UNITED STATES DEPARTMENT OF THE INTERIOR,
OFFICE OF THE SOLICITOR,
Washington, May 24, 1930.

The honorable the SECRETARY OF THE INTERIOR.

MY DEAR MR. SECRETARY: The license of site No. 1. Flathead River, Mont., to the Rocky Mountain Power Co., with attached guaranty and agreement of the Montana Power Co., was referred to me and given careful consideration by the solicitor personally and by one of the ablest attorneys in his office. Two suggestions were submitted to you on May 21, 1930.

Suggestion 1 was for the purpose of clarifying the words "Flathead irrigation project" or "the Flathead irrigation project management" as used in the license, and particularly section 28, my suggestion being in this respect that the licensee, the Rocky Mountain Power Co., should agree that those words wherever used in the license, and particularly article 28, should be "construed and understood to mean the irrigation district or districts, association or associations of water users, successors to the United States in the operation and/or management of said Flathead irrigation project."

The second suggestion was as follows:

The license is to and will be signed by the Rocky Mountain Power Co. Following that is a proposed guaranty, stipulation, and agreement by the Montana Power Co. of certain conditions of the license. The first sentence is a guaranty; the last sentence is an agreement to enter into a power contract with the licensee. It all partakes of the nature of a contract. It is proposed to have same signed by the Montana Power Co. pursuant to resolution of its board of directors. In our opinion this instrument should be approved and accepted by the Federal Power Commission so as to make it a firm and binding contract. It is, therefore, suggested that there be put at the bottom of this instrument, page 25, something like the following:

"Approved and accepted by the Federal Power Commission this ——— day of ———, 1930.

———, ———,
"Commission."

and by the Secretary of the Interior:

"Approved.

———, ———,
"Secretary of the Interior."

The reason for that suggestion is fully stated in said paragraph 2.

The license relates only to site No. 1, and not to power sites on the Flathead River below said site No. 1.

Very truly yours,

E. C. FINNEY, *Solicitor.*

Mr. CRAMTON. Mr. Speaker, by reason of the business before the House and the time taken, I will defer taking any time until later.

THE FLEXIBLE-TARIFF PROPOSAL

Mr. BECK. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER. The gentleman from Pennsylvania asks unanimous consent to proceed for 10 minutes. Is there objection?

There was no objection.

Mr. BECK. Mr. Speaker and Members of the House, I thank you for the privilege of speaking by unanimous consent. I rise to make a few passing comments upon the latest draft of the flexible tariff proposal. Yesterday I read the draft in the New York Times. It seemed to be authoritative in reciting the full text of this proposed addition to the taxing laws of the United States, and the constitutional machinery of our Government.

I was not fortunate enough, by reason of an accident, to be in the House when this important and vital question was last before the House upon the then report of the conference committee. I did, however, take advantage of the courtesy of my esteemed colleague from New York [Mr. LAGUARDIA] to submit a few suggestions in writing which he was kind enough to incorporate in his speech.

When the conference report again comes before the House it is possible I shall not be here and this may be, therefore, my only opportunity to express any views I have with reference to this new proposal and the grave question, how far the compromise proposal meets the constitutional objections which have been urged by many Members of the House, including myself, and with which many Members on both sides of the House are in sympathy, even though with many Members their sympathy has heretofore had no audible expression in votes.

If I can place dependence, and I assume I can, upon the text of the compromise as published yesterday in the New York Times, then I venture to say that both on grounds of constitutionality and also on grounds of policy, the compromise is worse than the proposal of the House of Representatives as contained in the original bill, and if I am here when the conference committee reports upon this compromise flexible-tariff provision, and a separate vote is permitted upon it, I shall certainly vote against it.

In the first place, it is interesting to note that the conferees, consciously or unconsciously, took up a sugggestion that our esteemed colleague from Iowa [Mr. RAMSEYER] made in the course of a very interesting and forceful speech some months ago in which he attempted to shift the constitutional basis of this flexible tariff provision from the taxing powers of the Constitution to the power over commerce. I had at that time intended to make a reply to his able and interesting argument, but time passed and I thought a better opportunity would occur when the question was next before the House. I regret that I have not now the time to do so. It seemed to me that his argument that a tariff duty is not imposed under the taxing power of the Government, but under the power to regulate commerce involves a confusion of two principles which undoubtedly antedated the Constitution itself, namely, that there was a distinction between a direct tax that was imposed for internal purposes in colonial times and a tax whose only purpose was to regulate foreign commerce. This distinction undoubtedly underlay the constitutional controversy which culminated in the War of Independence. When our present Government began in 1789, it was at first gravely questioned, inasmuch as import duties were levied under the taxing clauses of the Constitution, whether they could be levied for any purpose except revenue. The doctrine was soon developed, and has ever since been regarded as beyond challenge, that while an import duty is primarily an exercise of the taxing power, yet its use for the purpose of protection could only be justified under the provision of the Constitution which empowers Congress to regulate commerce. But it remains a tax. An import duty is a tax.

Its use for protection may be justified under the commerce clause, but nevertheless it is primarily and fundamentally a tax, and if that were not so, it would lead to the extraordinary result that while all taxes must be uniform throughout the United States, yet if an import duty is not a tax but only the exercise of the power to regulate commerce, then there would be no occasion for tariff duties to be uniform throughout the United States, as all other taxes must be.

Of course, this can not be. You can not have one tariff duty in the port of New York and another tariff duty in the port, we will say, of San Francisco, and it can not be so, because an import duty, being a tax, uniformity is required, however you may justify the motive or ulterior purpose of the imposition of the tax by the commerce clause of the Constitution. Therefore I find in the first clauses of this compromise flexible tariff, the suggestion that the duties to be imposed by the Tariff Commission are not taxes within the meaning of the Constitution, but merely regulations of commerce. If our future tariff duties are to be imposed on this theory, profound changes in the structure of our Government will inevitably result.

In the second place, if you are going to transfer this tremendous and greatest of all governmental powers—the power to impose a tax—then I would infinitely rather have the Congress gracefully abdicate its sovereign duty of taxation in favor of the President than in favor of a Tariff Commission. The vice of the compromise provision is that the Tariff Commission determines the tax, the Congress merely suggesting a maximum and a minimum, and unless the President vetoes within 60 days, the conclusion of the Tariff Commission, ipso facto, becomes the tax which collectors of the port must enforce.

I would rather transfer our power, if we are going to make so revolutionary a change in our form of government, to the President who is elective, rather than to a Tariff Commission that is not elective and has no direct responsibility to the people.

Thirdly and lastly, with respect to this proposed compromise, while it adroitly affects to restrict, for purposes of judicial test hereafter in the Supreme Court, the power of the Tariff Commission to a mere ascertainment of differences in the cost of production, yet later on in the proposed compromise we find the "weasel words" that whenever the Tariff Commission is unable to determine such differences in the cost of production, then it can consider any "relevant factors" bearing upon equality or inequality of competition. Such determination of the Tariff Commission can not be the subject of any judicial review, because it sits as an administrative body. If it has the power thus to determine finally the amount of taxes, the judiciary can not review its exercise.

The result will be that the Tariff Commission can impose the rate upon some abstract theory of inequality of competition, and not even the Supreme Court could review its decision or set aside its judgment if it acts within the almost unlimited scope of its statutory powers.

I venture to compliment the draftsmen of the compromise upon the adroitness with which they are attempting not merely to get around the Constitution of the United States but to make it difficult for the Supreme Court to decide that such a delegation of legislative power is unconstitutional. Their skill reminds me very much of Jonathan Swift's immortal Tale of the Tub, where a testator had left to his sons a large sum of money upon the distinct provision and condition that under no circumstances should they ever wear certain shoulder knots which at that time were the fashion, but which the old-fashioned father did not favor; and the sons, desiring both to wear the shoulder knots and to have the legacy, at once proceeded to so construe the will as to make it read the very opposite of what the will in words provided.

The SPEAKER pro tempore (Mr. SNELL). The time of the gentleman from Pennsylvania has expired.

Mr. CRISP. Mr. Speaker, I ask unanimous consent that the time of the gentleman from Pennsylvania be extended five minutes.

Mr. STALKER. Mr. Speaker, reserving the right to object, and I shall not object in this case, we have several District bills coming up to-day, and I shall object to any further unanimous-consent requests.

Mr. RAMSEYER. Now, Mr. Speaker, reserving the right to object, the gentleman from Pennsylvania has made some reference to a speech I made here in December, and I should like to have a few minutes—I do not think I will take over five minutes—to call to the attention of the House just what the controversy is and where the gentleman from Pennsylvania and I differ fundamentally.

Mr. STALKER. I will include the gentleman from Iowa in my exception, but I shall not make any further exceptions.

The SPEAKER pro tempore. Without objection, the gentleman from Pennsylvania is recognized for five additional minutes.

There was no objection.

Mr. BECK. I do not think that I shall occupy all of that time, but I do not want the House to forget the essential nature of what the conference committee proposes to do. The first section of the Constitution, thus written as in letters of gold over the very portal of the temple, says that all legislative powers herein granted are vested in the Congress of the United States to be composed of the Senate and the House of Representatives. What will be done if this compromise becomes a law? If the

Supreme Court should sustain it, you have practically rewritten the first section so it will read in practice, although it may not read in the text, that all legislative powers herein granted are vested in a Congress to be composed of the House of Representatives and the Senate, provided that in respect to questions of taxation—the greatest and most potentially destructive of all powers of government—in respect to questions of taxation its legislative power shall be vested in the Senate and the House of Representatives, whose powers shall be restricted to a suggested minimum and maximum, and that the third branch of the Congress, consisting of six nonelective officers, shall have the power to determine finally the exact duty that is to be imposed.

In other words, if the tax on sugar is 2 cents a pound, we simply have suggested a minimum of 1 cent and a maximum of 3 cents and we have left to a nonelective body, subject to a veto of the President and no more—a nonelective body which the President will appoint and which the President can remove—the power to determine whether the real tax, not a suggested tax, not a tentative tax, but the real tax, whether it shall be 1 cent or 3 cents or any intermediate sum.

Mr. GARNER. Will the gentleman yield?

Mr. BECK. I yield.

Mr. GARNER. I wish the gentleman would call attention to the fact that once Congress surrenders this power it will take two-thirds of the House and the Senate to take it away.

Mr. MORTON D. HULL. How so?

Mr. BECK. Because of the President's veto.

Mr. MORTON D. HULL. The House has the right to repeal the provision.

Mr. BECK. But suppose the President vetoes that. It would then take two-thirds of the House and the Senate, as the gentleman from Texas has stated.

Mr. CRISP. Will the gentleman yield?

Mr. BECK. I yield.

Mr. CRISP. I am thoroughly in accord with the gentleman from Pennsylvania—if this provision is adopted we would change the Constitution. Whereas the Constitution provides for one legislative body, and the President having the right to veto an act of Congress, this creates a second legislative body and gives the President a right to veto their act.

Mr. BECK. If Alexander Hamilton, the greatest advocate of Executive power, had proposed in the Constitutional Convention that taxation should be imposed by Congress through a tentative nomination of possible duties but their action should be subject to revision by an executive body, he would have been laughed out of the Constitutional Convention.

Mr. Speaker, I ask unanimous consent to revise and extend my remarks, because I did not come into the House with the intention of making a speech, but I wanted to show my honest conviction of how far we are drifting in this matter of abdicating the great powers of Congress. It means the reconstruction of our form of government by the concentration of power in the Executive; and against that concentration of power, as long as I am in this House, I propose to not only register my protest but my vote. [Applause.]

The SPEAKER pro tempore. The gentleman from Pennsylvania asks unanimous consent to extend his remarks in the RECORD. Is there objection?

There was no objection.

Mr. BECK. This flexible tariff provision is only one indication of the steady drift away from the Constitution of the fathers and toward an unheard-of concentration of power in the Executive. I appreciate the great economic influences that are causing this. Where are we going?

I recognize that the Constitution is something more than a written and definitive contract. It is a living organism, susceptible of adaptation and, therefore, of increasing growth, and its vitality depends upon its correspondence with the necessities and spiritual tendencies of the American people. This only illustrates afresh the immortal truth of Aristotle, that any constitution which does not thus correspond to the "ethos" of the people will necessarily perish. While some learned justices of the Supreme Court, in the true spirit of legal sacerdotalism, have affirmed that the Constitution to-day means exactly what its framers meant, yet no one can read the court's interpretations of the Constitution, contained in 280 volumes of the Supreme Court reports, without being convinced that, with extraordinary ability, the court has developed and adapted the Constitution, as a quasi-constitutional convention in a restricted sense, to the changing needs of the most progressive Nation in this most changing period of the world's history. Thus, it can not be seriously contended that one of the greatest of the Federal powers—namely, the regulation of interstate and foreign commerce—means to-day what the framers meant when they vested this power in the Federal Government. To them the division of governmental power between interstate commerce and intrastate commerce was extraordinarily simple, while its attempted application to a country welded together by the railroad, steamship, telephone, telegraph, and the radio has required a judicial subtlety that has made our dual system of government, in the economic sphere, one of the most intricately complex nations of the world. In this respect the men who framed the Constitution would not recognize their handiwork to-day.

The thought of an ever-changing Constitution is not; in all respects, a comforting one, for, if it be a living organism and have within itself the potency for development and growth, yet, like all living organisms, it then also has within it the seeds of degeneration and possibly death. Such a conception of the Constitution challenges the thought of each living generation of Americans to the great question of whether this living organism is to grow in wisdom or perish in folly.

The Constitution is not to-day what it was 50 years ago, nor was it then what it was a half a century earlier, and it is safe to predict that it will not be 50 years from now what it is to-day. The eternal inquiry arises, "Quo vadis?" Are we treading the downward path to Avernus, from which escape is so difficult, or are we ascending to new and nobler heights of constitutionalism? That should be the great question for every thoughtful American.

Time will not suffice to illustrate my meaning by suggesting the portentous changes to which the Constitution has been subjected. I can only indicate a few by a passing sentence, and in indicating these I do not mean to suggest that some of them may not be desirable, for some undoubtedly conform to the economic needs of the Nation and to the democratic genius of the American people. The destruction of the Electoral College, except as an empty form; the profound change in the representative system, due to the changed democratic ideal that a Representative should think with, and not for his constituents; the breaking down of the barriers that once imperfectly marked the different functions of the executive, legislative, and judiciary; the steady deterioration in power of Congress, as the great council of the Republic and the corresponding aggrandizement of the Executive; the perversion of the taxing power, whereby the Federal Government assumes powers never granted to it; the even greater perversion of the power of appropriation, whereby the Federal Government has persuaded the States, by the moral bribery of Federal grants, to yield their reserved powers; the destruction of the equitable principle that direct taxation should be apportioned among the States in proportion to political power in the House of Representatives; the denial by the Senate of the right of the States to choose their own Senators, except by and with the advice and consent of the Senate; the denial of the right of the States to determine, in respect to their local conditions, the qualifications of an elector; the slow destruction of the power of the State over domestic commerce by the expansion of the Federal commerce power; the creation of numerous bureaus and some departments to effectuate purposes, which are not within the sphere of Federal power; the socialistic experiment of aiding failing industries by grants from the Federal Treasury; the perversion of the taxing power to redistribute wealth; the appointment of diplomatic representatives to represent our country in foreign lands without the sanction of the Senate; the power to declare war without the consent of Congress by acts which make war inevitable, and, finally, the crowning atrocity of the eighteenth amendment, which invades individual liberty in a manner at which Washington and Franklin would have stood aghast and which, in this respect, relegates the once proudly conscious States to the ignominious position of being mere police provinces.

These are only a few illustrations of the profound changes which have been wrought in 143 years of constitutional development. As I have said, some of them may be advantageous, but certainly not all of them. Many of them constitute a revolutionary change in the conceptions of liberty, which were supposed to have been unalterably written into the Constitution.

The proposed flexible tariff is only one illustration. No principle of English liberty was more dear to our forbears than the idea that only the Representatives of the people assembled in Congress could impose a tax. For that right our English forbears had gone to the scaffold and many of the great battles of English liberty were fought about this principle. We separated from the mother country upon this principle that direct taxes could only be imposed by the consent of the representatives of the people. To confirm this conception of liberty the framers of the Constitution not only expressly provided that Congress, and not the Executive, should impose taxes but that all revenue bills must originate in the House of Representatives, as the more directly representative body of Congress, and yet the House of Representatives recently passed a law which gave an almost unlimited discretion to the President, with the aid of the Tariff

Commission, to raise or lower any duty to the extent of 50 per cent of the statutory rate. What does this mean in concrete terms? Every cent per pound that is levied upon the importation of sugar means a burden to the American people of approximately $100,000,000. Suppose the tax, as passed by the Congress, is 3 cents per pound?

If the flexible tariff provision, as passed by the House, shall prevail at this session, the President can make the duty either 4½ cents, or 1½ cents, a difference of 3 cents a pound, and therefore either a diminution of the tax burden of $150,000,000, or an imposition of a like burden upon the consumer, and yet, when this provision was under consideration by the House, only a few of us could see that it involved, for better or worse, an abandonment of a time-honored principle of English liberty, and a palpable violation of the Constitution.

To the extent that this is the result of economic forces, it is irresistible, even if not always desirable, but it is, in part, due to that greed for power, which grows by what it feeds upon. Some of us believe that the Constitution can not survive if the planetary system of the States be wholly absorbed in the central sun of the Federal Government. Our Nation is too vast in area and our people too numerous to be governed altogether from Washington, and yet it seems impossible to combat the tendency toward centralization when this "ethos" of the people of which Aristotle spoke demands it. The portentous difference between the American people, when they framed the Constitution, and the American people to-day is this: Our forbears thought in terms of abstract political rights, but we to-day think in terms of concrete economics. Moreover, the gospel of the American people to-day is efficiency, and to secure such efficiency they are apparently willing to sacrifice any principle that makes for the greater consideration of security.

We can measure this in the contempt of the people for Congress and their confidence in the Executive, whoever he may temporarily be. In nearly every controversy between the Executive and the Congress, the people sympathize with the Executive, for they can visualize a single individual and make a legend of him, but the multiheaded Congress makes no appeal to their imagination. They share the relief of the President when he no longer has "Congress on his hands," to use the popular expression.

This, in itself, is an amazing change in the ethos of the people, for our Constitution was formed when the traditions of the great English revolution of 1688 were still dominant in men's thoughts. Then, the people were jealous of executive power, and established in England the supremacy of Parliament. To-day many Americans subconsciously believe that the United States would be better off if the President were made a committee of one for the Union. That this is their ethos is shown by the fact that, in our industrial development, all government of corporations, tends to concentrate power and, therefore, responsibility in one man, and we can not think in terms of one-man power in industrial development without a reflex effect upon our conception of that larger corporation, which we call our Government.

I confess I can not see the way to combat this changed consciousness of the American people, which is so largely due to mechanical forces, which no written constitution can overcome.

Indeed, our very dependence upon a written Constitution and our mistaken belief in its static nature and its self-executing powers has tended to deaden the political consciousness of the American people. They mistakenly believe that in some way the Constitution will save itself, and they have the wholly illusory idea that if Congress passes unconstitutional laws the Supreme Court will in some way invalidate them, and that, therefore, the people need have no concern about such invasions of the Constitution.

The conclusion is that the Constitution as a living organism is in process of deterioration and not of growth.

If we of to-day, engrossed as we are in the complexity of this modern-day world, fail to see how the upland of the Constitution is being slowly destroyed by the erosion of the waves of innovation, yet the men who framed the Constitution had no illusions as to its perpetuity. Thus, the venerable sage Franklin, after the Constitution was adopted, said, with his usual genial humor:

> Our Constitution is in actual operation; everything appears to promise it will last, but in this world nothing is certain but death and taxes.

Indeed, on the last day of the convention, when the aged Franklin—as some say, with tears in his eyes—implored the reluctant delegates to sign the great compact, which was to immortalize them all, and won their consent by his skillful and ingratiating speech, he made this prediction:

> There is no form of government but what may be a blessing to the people if well administered for a course of years, and can only end in despotism, as other forms have done before it, when the people shall become so corrupted as to need despotic government, being incapable of any other.

The everlasting truth that the Constitution would last as long—and no longer—as there was any spirit of constitutional morality in the hearts of the people was even better expressed by the great founder of Pennsylvania, when he said:

> Government, like clocks, go from the motion men give them, and as governments are made and moved by men, so by men they are ruined, too. Therefore governments rather depend upon men than men upon governments.

Penn's homely but forceful analogy brings us to the very heart of the problem. No constitutional form of government can possibly be maintained unless the people have not only an intelligent grasp of constitutional principles but an ever-vigilant and militant purpose to defend them. The purpose of a constitution is not only to create the mechanics of government but, far more, to subject the passing impulses of a living generation to the reasonable restraints of the collective wisdom of the past. This is impossible unless the individual has some knowledge of the wisdom of the past and a real sense of obligation to the future. Edmund Burke once said that society was a "noble compact between the dead, the living, and the unborn." If the living generation lives in the day, there can be no such thing as constitutional morality, and without such morality no form of government which attempts to restrain the passing emotions of the day can possibly survive.

This seems to mark the fatal difference between the present generation and the generation that created the Constitution. I again repeat that the latter thought in terms of abstract political rights, while the living generation thinks only in terms of concrete economics. In other words, the individual to-day is a pragmatist, in the sense that he not only restricts his consideration of any problem to its ponderables but is often ignorant of the great imponderables that underlie almost any problem.

This is true not only of the man in the street but of the more experienced and better educated citizens. Take, for example, the flexible-tariff proposal to which I have referred. Chamber of commerce after chamber of commerce enthusiastically indorsed it, because they believed that the President could more speedily and wisely impose tariffs than the Congress.

The reason for this is very obvious. Life has grown so infinitely complex that it is far more true to-day than it ever was in Franklin's day that men belong to the "ephemera," of which the sage old doctor once spoke. We live in the day, forgetful of yesterday and altogether indifferent to the morrow. If any proposal is made that seems to offer a present advantage, the people enthusiastically support it, without considering its possible conflict with all the collective wisdom of the past and its inevitable effect upon the future.

Had the founders of the Republic reasoned in this way, they would have argued that the tax on tea and the later stamp tax should be gladly accepted in return for the great benefit which the Colonies received from the mother Empire, which protected them in their infancy by her army and navy, but the founders of the Republic believed that if they could be taxed without the consent of their colonial legislatures their condition was one of vassalage, for they realize full well, as their English forbears had before them, that the power to tax is the power to destroy. The philosophic mind of Burke realized this unusual capacity of the American people to weigh the imponderables of any problem against the ponderables, and the War of Independence, in which our forbears fought for seven weary years for an abstract principle, vindicated his judgment of the American people of that great era.

Of that spirit of constitutional morality there is little evidence to-day, and it is this that has made me so pessimistic as to the perpetuity of our form of government. Each generation of Americans to gain some immediate and practical advantage will sacrifice some remaining principle of the Constitution, until that noble edifice will one day become as the Parthenon, beautiful in its ruins but nevertheless a useless and deserted temple of liberty.

Mr. RAMSEYER. Mr. Speaker, I ask unanimous consent to proceed for 10 minutes.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RAMSEYER. Mr. Speaker, on December 11, last, I had an hour here to discuss the flexible provision of the tariff, and at that time many Members of the House heard me. The gentleman from Pennsylvania [Mr. BECK] was not on the floor of the House at the time. I have a high regard for the gentleman from Pennsylvania. He is recognized not only in this country, but in other countries as an authority on matters

of constitutional law. He is an able and a successful lawyer. I heard all the debates in this House upon the flexible tariff provision and the objections made to that provision on constitutional grounds. I also heard some of the debates in the other body. The position I took here in my speech of December 11, 1929, was that the imposition of protective duties—and I wish gentlemen would get the distinction into their minds, not merely duties, but protective duties—is under the power of Congress to regulate foreign trade, and not under the power of Congress to lay and collect imposts and taxes. I have held that view for a number of years. I had never made any special research to support my view with authorities. Last fall I returned to Washington in the middle of September, thinking the House would reconvene. As you all know, we recessed three days at a time until the regular session opened in December. I devoted my time to a study of a number of phases of the tariff which I have discussed from time to time, including this flexible provision. Studying the writings of the fathers of the country, including among them James Madison, and also the decisions of the Supreme Court, I came to the conclusion that my position on this proposition was in entire accord with the views of the framers of the Constitution and of the Supreme Court. I cited then the case of Hampton *v.* United States (276 U. S. 394).

I also cited the case of Russel *v.* Williams (106 U. S. 623). In this latter case the validity of a tariff duty was in controversy. The court held that that duty was imposed as a commercial regulation. In other words, it was a protective duty imposed under the power to regulate commerce and not a revenue duty imposed under the power to levy taxes. In my speech of December 11 last I quoted from a letter written by James Madison to Joseph C. Cabell on September 18, 1828. Mr. Speaker, I now ask consent to incorporate that letter in the RECORD with my remarks.

The SPEAKER pro tempore. The gentleman from Iowa asks unanimous consent to print a letter as indicated in his remarks. Is there objection?

Mr. BECK. Mr. Speaker, I have no objection whatever, but I ask the gentleman to print the entire letter because when he last spoke there was only an extract printed, and I had not a chance to verify it.

Mr. RAMSEYER. My purpose in asking consent is to have the entire letter printed in the RECORD.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. RAMSEYER. The whole letter bears out my contention that protective duties are imposed under the power of Congress to regulate foreign trade. James Madison, as you know, went to the Constitutional Convention as a delegate from Virginia with a draft of a constitution in his pocket. He stayed during that entire convention and was present every day. He took notes and minutes of the proceedings. Hamilton, to whom the gentleman from Pennsylvania referred, was there only a few times and made a few remarkable speeches. Madison had more to do with the drafting of the Constitution than any other one man. Madison afterwards was a Member of this House for eight years, the first eight years under the Constitution. He became Secretary of State under Jefferson and held that office for eight years. Then he was President of the United States for eight years. In 1817 he retired from public office.

During the first 30 years the power of Congress to levy protective duties under the power of Congress to regulate foreign trade was never questioned. Beginning with 1820 after a new generation came into its own and politicians arose who wanted issues, there were politicians who took the position that a protective duty was unconstitutional. That is, they argued that the only power of Congress to impose import duties was for revenue and that a duty imposed to aid industries was unconstitutional. Madison in 1828, taking cognizance of the bitter debate in the country over the constitutionality of protective duties imposed to aid industries wrote a letter to Joseph C. Cabell, a prominent citizen of the time. The letter is dated September 18, 1828. In that letter Mr. Madison defended the constitutionality of protective duties under the power of Congress to regulate foreign trade.

I have not the time to read this letter to you. In this letter he forcibly defends the constitutional power of Congress to impose import duties to protect and foster manufactures by regulations of trade. Mr. Madison, let me repeat, probably had more to do with framing the Constitution than any other one man. During the first eight years of the Constitution he was a Member of the House of Representatives. He was Secretary of State under Thomas Jefferson, and then for eight years was President. He knew as much about the purpose and object of each clause of the Constitution as any man then living. Without intending the least disrespect to any man living or dead I can go further and say that he knew more about the purpose and object of each clause written into the Constitution than any man of his own time or since.

I have asked Members of this House who are opposed to the House flexible provision of the tariff and who claim that it is a delegation by Congress of the taxing power to the President to read this letter of Mr. Madison, and after having read it carefully to get up on the floor of the House and answer it. I now ask the gentleman from Pennsylvania [Mr. BECK] and the Democrats on the floor of the House, who seem to get a great deal of satisfaction out of the speeches of the gentleman from Pennsylvania against the flexible tariff, to read this Madison letter, which I am going to insert in the RECORD, and then get up on the floor of the House and answer Mr. Madison.

The gentleman from Pennsylvania [Mr. BECK] criticizes the conferees for inserting in the flexible provision the phrase "in order to regulate the foreign commerce of the United States." He intimates that either I or the conferees have become confused over a controversy between Great Britain and the Colonies before the Revolutionary War over the power to regulate trade and the power to tax.

In the Madison letter, which I shall have printed in the RECORD, the gentleman from Pennsylvania will find that issue referred to and answered. The first sentence in the fourth paragraph of this letter reads:

> Nor can it be inferred that a power to regulate trade does not involve a power to tax it, from the distinction made in the original controversy with Great Britain, between a power to regulate trade with the Colonies and a power to tax them.

In the fifth paragraph of the letter the gentleman will find that my position is not the result of a confusion over any controversy prior to the Revolution between Great Britain and her American Colonies. I answer him in Mr. Madison's own words, as follows:

> But the present question is unconnected with the former relations between Great Britain and her colonies, which were of a peculiar, a complicated, and, in several respects, of an undefined character. It is a simple question under the Constitution of the United States whether "the power to regulate trade with foreign nations," as a distinct and substantive item in the enumerated powers, embraces the object of encouraging by duties, restrictions, and prohibitions the manufactures and products of the country.

Now, understand me clearly, I am not quoting Mr. Madison in support of the flexible provision of the tariff approved by this House. What I am trying to impress upon you is that the administrative powers conferred upon the Tariff Commission and the President by the House flexible provision of the tariff are not a delegation of the taxing power of Congress. Under the House flexible provision the Tariff Commission and the President are given administrative powers to adjust protective duties under a rule laid down by Congress. Under the House flexible provision the Tariff Commission and the President, under a rule laid down by Congress, regulate foreign trade just as the Interstate Commerce Commission regulates interstate trade under a rule laid down by Congress. This analogy has the support of the Supreme Court in the Hampton case. I quote from the Hampton case:

> The same principle that permits Congress to exercise its rate-making power in interstate commerce by declaring the rule which shall prevail in the legislative fixing of rates, and enable it to remit to a rate-making body created in accordance with its provisions the fixing of such rates, justifies a similar provision for the fixing of customs duties on imported merchandise.

The opponents of the House flexible-tariff provision refer to this provision as giving the Tariff Commission the power to levy taxes and that it constitutes a surrender of the taxing power by Congress to the Tariff Commission and the President. The authorities I have cited to you are clear that protective duties imposed to aid manufactures and agriculture are under the power of Congress to regulate foreign trade, and not under the power of Congress to levy taxes.

Every student of the tariff knows, or should know, that a protective duty is imposed not for the purpose of revenue. Such a duty may reduce the revenue or destroy it altogether. On this point I quote you from a letter of Mr. Madison written to Reynolds Chapman, January 6, 1831, as follows:

> If a duty can be constitutionally laid on imports, not for the purpose of revenue, which may be reduced or destroyed by the duty, but as a means of retaliating the commercial regulations of foreign countries, which regulations have for their object, sometimes their sole object, the encouragement of their manufactures, it would seem strange to infer that an impost for the encouragement of domestic manufactures was unconstitutional because it was not for the purpose of revenue, and the more strange, as an impost for the protection and encouragement of

national manufactures is of much more general and familiar practice than as a retaliation of the injustice of foreign regulations of commerce.

My main purpose in getting up here this afternoon is to get you gentlemen of this House to read Mr. Madison's letter, which I will have printed in the RECORD. I also want you to read the notes which accompany this letter that will also appear in the RECORD. If you have not the time to read both letter and notes, then read the notes, which are simply the letter in abridged form. As Madison himself states in the letter, this view that protective duties are imposed under the power of Congress to regulate foreign trade was never denied by Members of Congress who were also members of the convention which framed the Constitution and of the State conventions which ratified the Constitution.

If gentlemen here wish to oppose the flexible provision of the tariff, that is their affair. If they wish to do so they should base their opposition on the ground that they are opposed to conferring upon the President and the Tariff Commission regulatory powers over foreign trade. They should not ground their opposition on the false premise that they are opposed to conferring upon the President and the Tariff Commission the power to tax. [Applause.]

Mr. Speaker, I ask unanimous consent to revise and extend my remarks.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Iowa?

There was no objection.

Mr. RAMSEYER. Mr. Speaker, under leave to extend my remarks I present for printing in the CONGRESSIONAL RECORD a letter written by James Madison to Joseph C. Cabell, dated September 18, 1828, as follows, to wit:

TO JOSEPH C. CABELL

MONTPELIER, *September 18, 1828.*

DEAR SIR: Your late letter reminds me of our conversation on the constitutionality of the power in Congress to impose a tariff for the encouragement of manufactures; and of my promise to sketch the grounds of the confident opinion I had expressed that it was among the powers vested in that body. I had not forgotten my promise, and had even begun the task of fulfilling it; but frequent interruptions from other causes being followed by a bilious indisposition, I have not been able sooner to comply with your request. The subjoined view of the subject might have been advantageously expanded; but I leave that improvement to your own reflections and researches.

The Constitution vests in Congress expressly "the power to lay and collect taxes, duties, imposts, and excises," and "the power to regulate trade."

That the former power, if not particularly expressed, would have been included in the latter as one of the objects of a general power to regulate trade is not necessarily impugned by its being so expressed. Examples of this sort can not sometimes be easily avoided and are to be seen elsewhere in the Constitution. Thus the power "to define and punish offenses against the law of nations" includes the power, afterward particularly expressed, "to make rules concerning captures, etc., from offending neutrals." So also a power "to coin money" would doubtless include that of "regulating its value," had not the latter power been expressly inserted. The term "taxes," if standing alone, would certainly have included duties, imposts, and excises. In another clause it is said, "No tax or duty shall be laid on exports," etc. Here the two terms are used as synonymous; and in another clause, where it is said "no State shall lay any imposts or duties," etc., the terms "impost" and "duties" are synonymous. Pleonasms, tautologies, and the promiscuous use of terms and phrases differing in their shades of meaning (always to be expounded with reference to the context and under the control of the general character and manifest scope of the instrument in which they are found) are to be ascribed, sometimes to the purpose of greater caution, sometimes to the imperfections of language, and sometimes to the imperfection of man himself. In this view of the subject it was quite natural, however certainly the general power to regulate trade might include a power to impose duties on it, not to omit it in a clause enumerating the several modes of revenue authorized by the Constitution. In few cases could the "ex majori cautelâ" occur with more claim to respect.

Nor can it be inferred that a power to regulate trade does not involve a power to tax it, from the distinction made in the original controversy with Great Britain, between a power to regulate trade with the Colonies and a power to tax them. A power to regulate trade between different parts of the Empire was confessedly necessary, and was admitted to lie, as far as that was the case, in the British Parliament; the taxing part being at the same time denied to the Parliament, and asserted to be necessarily inherent in the colonial legislatures as sufficient and the only safe depositories of the taxing power. So difficult was it, nevertheless, to maintain the distinction in practice, that the ingredient of revenue was occasionally overlooked or disregarded in the British regulations as in the duty on sugar and molasses imported into the Colonies. And it was fortunate that the attempt at an internal and direct tax in the case of the Stamp Act produced a radical examination of the subject before a regulation of trade with a view to revenue had grown into an established authority. One thing at least is certain, that the main and admitted object of the parliamentary regulations of trade with the Colonies was the encouragement of manufactures in Great Britain.

But the present question is unconnected with the former relations between Great Britain and her colonies, which were of a peculiar, a complicated, and, in several respects, of an undefined character. It is a simple question under the Constitution of the United States, whether "the power to regulate trade with foreign nations," as a distinct and substantive item in the enumerated powers, embraces the object of encouraging by duties, restrictions, and prohibitions the manufactures and products of the country. And the affirmative must be inferred from the following considerations:

1. The meaning of the phrase "to regulate trade" must be sought in the general use of it; in other words, in the objects to which the power was generally understood to be applicable when the phrase was inserted in the Constitution.

2. The power has been understood and used by all commercial and manufacturing nations as embracing the object of encouraging manufactures. It is believed that not a single exception can be named.

3. This has been particularly the case with Great Britain, whose commercial vocabulary is the parent of ours. A primary object of her commercial regulations is well known to have been the protection and encouragement of her manufactures.

4. Such was understood to be a proper use of the power by the States most prepared for manufacturing industry while retaining the power over their foreign trade.

5. Such a use of the power by Congress accords with the intention and expectation of the States in transferring the power over trade from themselves to the Government of the United States. This was emphatically the case in the eastern, the more manufacturing members of the confederacy. Hear the language held in the convention of Massachusetts:

By Mr. Dawes, an advocate for the Constitution, it was observed: "Our manufactures are another great subject which has received no encouragement by national duties on foreign manufactures, and they never can by any authority in the old confederation." Again: "If we wish to encourage our own manufactures, to preserve our own commerce, to raise the value of our own lands, we must give Congress the powers in question."

By Mr. Widgery, an opponent: "All we hear is that the merchant and farmer will flourish, and that the mechanic and tradesman are to make their fortunes directly if the Constitution goes down."

The convention of Massachusetts was the only one in New England whose debates have been preserved. But it can not be doubted that the sentiment there expressed was common to the other States in that quarter, more especially to Connecticut and Rhode Island, the most thickly peopled of all the States, and having, of course, their thoughts most turned to the subject of manufactures. A like inference may be confidently applied to New Jersey, whose debates in convention have not been preserved. In the populous and manufacturing State of Pennsylvania, a partial account only of the debates having been published, nothing certain is known of what passed in her convention on this point. But ample evidence may be found elsewhere that regulations of trade for the encouragement of manufactures were considered as within the power to be granted to the new Congress, as well as within the scope of the national policy. Of the States south of Pennsylvania, the only two in whose conventions the debates have been preserved are Virginia and North Carolina, and from these no adverse inferences can be drawn. Nor is there the slightest indication that either of the two States farthest south, whose debates in convention, if preserved, have not been made public, viewed the encouragement of manufactures as not within the general power over trade to be transferred to the Government of the United States.

6. If Congress have not the power, it is annihilated for the Nation; a policy without example in any other nation, and not within the reason of the solitary one in our own. The example alluded to is the prohibition of a tax on exports, which resulted from the apparent impossibility of raising in that mode a revenue from the States proportioned to the ability to pay it; the ability of some being derived in a great measure not from their exports but from their fisheries, from their freights, and from commerce at large, in some of its branches altogether external to the United States; the profits from all which being invisible and intangible, would escape a tax on exports. A tax on imports, on the other hand, being a tax on consumption, which is in proportion to the ability of the consumers, whencesoever derived, was free from that inequality.

7. If revenue be the sole object of a legitimate impost, and the encouragement of domestic articles be not within the power of regulating trade, it would follow that no monopolizing or unequal regulations of foreign nations could be counteracted; that neither the staple articles of subsistence nor the essential implements for the public safety could, under any circumstances, be ensured or fostered at home by regulations of commerce, the usual and most convenient mode of providing

for both; and that the American navigation, though the source of naval defense, of a cheapening competition in carrying our valuable and bulky articles to market, and of an independent carriage of them during foreign wars, when a foreign navigation might be withdrawn, must be at once abandoned or speedily destroyed; it being evident that a tonnage duty merely in foreign ports against our vessels, and an exemption from such a duty in our ports in favor of foreign vessels, must have the inevitable effect of banishing ours from the ocean.

To assume a power to protect our navigation, and the cultivation and fabrication of all articles requisite for the public safety as incident to the war power, would be a more latitudinary construction of the text of the Constitution than to consider it as embraced by the specified power to regulate trade; a power which has been exercised by all nations for those purposes, and which effects those purposes with less of interference with the authority and convenience of the States than might result from internal and direct modes of encouraging the articles, any of which modes would be authorized, as far as deemed "necessary and proper," by considering the power as an incidental power.

8. That the encouragement of manufactures was an object of the power to regulate trade is proved by the use made of the power for that object in the first session of the First Congress under the Constitution, when among the Members present were so many who had been members of the Federal convention which framed the Constitution, and of the State conventions which ratified it; each of these classes consisting also of members who had opposed and who had espoused the Constitution in its actual form. It does not appear from the printed proceedings of Congress on that occasion that the power was denied by any of them. And it may be remarked that Members from Virginia in particular, as well of the anti-Federal as the Federal Party, the names then distinguishing those who had opposed and those who had approved the Constitution, did not hesitate to propose duties, and to suggest even prohibitions, in favor of several articles of her production. By one a duty was proposed on mineral coal in favor of the Virginia coal pits, by another a duty on hemp was proposed to encourage the growth of that article, and by a third a prohibition even of foreign beef was suggested as a measure of sound policy. (See Lloyd's Debates.)

A further evidence in support of the constitutional power to protect and foster manufactures by regulations of trade, an evidence that ought of itself to settle the question, is the uniform and practical sanction given to the power by the General Government for nearly 40 years, with a concurrence or acquiescence of every State government throughout the same period, and, it may be added, through all the vicissitudes of party which marked the period. No novel construction, however ingeniously devised or however respectable and patriotic its patrons, can withstand the weight of such authorities, or the unbroken current of so prolonged and universal a practice. And well it is that this can not be done without the intervention of the same authority which made the Constitution. If it could be so done, there would be an end to that stability in government and in laws which is essential to good government and good laws; a stability, the want of which is the imputation which has at all times been leveled against republicanism with most effect by its most dextrous adversaries. The imputation ought never, therefore, to be countenanced by innovating constructions without any plea of a precipitancy or a paucity of the constructive precedents they oppose, without any appeal to material facts newly brought to light, and without any claim to a better knowledge of the original evils and inconveniences for which remedies were needed; the very best keys to the true object and meaning of all laws and constitutions.

And may it not be fairly left to the unbiased judgment of all men of experience and of intelligence to decide which is most to be relied on for a sound and safe test of the meaning of a constitution, a uniform interpretation by all the successive authorities under it, commencing with its birth, and continued for a long period, through the varied state of political contests. Or the opinion of every new legislature, heated as it may be by the strife of parties, or warped, as often happens, by the eager pursuit of some favorite object, or carried away, possibly, by the powerful eloquence or captivating address of a few popular statesmen, themselves perhaps influenced by the same misleading causes? If the latter test is to prevail, every new legislative opinion might make a new Constitution, as the foot of every new chancellor would make a new standard of measure.

It is seen with no little surprise that an attempt has been made in a highly respectable quarter, and at length reduced to a resolution formally proposed in Congress, to substitute for the power of Congress to regulate trade so as to encourage manufacturers, a power in the several States, to do so, with the consent of that body; and this expedient is derived from a clause in the tenth section of Article I of the Constitution, which says: "No State shall, without the consent of Congress, lay any imposts or duties on imports or exports, except what may be absolutely necessary for executing its inspection laws; and the net produce of all duties and imposts laid by any State on imports and exports shall be for the use of the Treasury of the United States; and all such laws shall be subject to the revision and control of the Congress."

To say nothing of the clear indications in the journal of the Convention of 1787, that the clause was intended merely to provide for expenses incurred by particular States in their inspection laws, and in such improvements as they might choose to make in their harbors and rivers, with the sanction of Congress, objects to which the reserved power has been applied in several instances at the request of Virginia and of Georgia, how could it ever be imagined that any State would wish to tax its own trade for the encouragement of manufactures, if possessed of the authority, or could in fact do so, if wishing it?

A tax on imports would be a tax on its own consumption; and the net proceeds going, according to the clause, not into its own treasury, but into the Treasury of the United States, the State would tax itself separately for the equal gain of all the other States; and as far as the manufactures so encouraged might succeed in ultimately increasing the stock in market and lowering the price by competition, this advantage also, procured at the sole expense of the State, would be common to all the others.

But the very suggestion of such an expedient to any State would have an air of mockery when its experienced impracticability is taken into view. No one who recollects or recurs to the period when the power over commerce was in the individual States, and separate attempts were made to tax or otherwise regulate it, needs be told that the attempts were not only abortive, but, by demonstrating the necessity of general and uniform regulations, gave the original impulse to the constitutional reform which provided for such regulations.

To refer a State, therefore, to the exercise of a power as reserved to her by the Constitution, the impossibility of exercising which was an inducement to adopt the Constitution, is, of all remedial devices, the last that ought to be brought forward. And what renders it the more extraordinary is, that as the tax on commerce, as far as it could be separately collected, instead of belonging to the treasury of the State as previous to the Constitution, would be a tribute to the United States; the State would be in a worse condition after the adoption of the Constitution than before, in relation to an important interest, the improvement of which was a particular object in adopting the Constitution.

Were Congress to make the proposed declaration of consent to State tariffs in favor of State manufactures, and the permitted attempts did not defeat themselves, what would be the situation of States deriving their foreign supplies through the ports of other States? It is evident that they might be compelled to pay, in their consumption of particular articles imported, a tax for the common treasury, not common to all the States, without having any manufacture or product of their own to partake of the contemplated benefit.

Of the impracticability of separate regulations of trade, and the resulting necessity of general regulations, no State was more sensible than Virginia. She was accordingly among the most earnest for granting to Congress a power adequate to the object. On more occasions than one in the proceedings of her legislative councils it was recited "that the relative situation of the States had been found on trial to require uniformity in their commercial regulations as the only effectual policy for obtaining in the ports of foreign nations a stipulation of privileges reciprocal to those enjoyed by the subjects of such nations in the ports of the United States; for preventing animosities which can not fail to arise among the several States from the interference of partial and separate regulations; and for deriving from commerce such aids to the public revenue as it ought to contribute," etc.

During the delays and discouragements experienced in the attempts to invest Congress with the necessary powers, the State of Virginia made various trials of what could be done by her individual laws. She ventured on duties and imposts as a source of revenue; resolutions were passed at one time to encourage and protect her own navigation and shipbuilding; and in consequence of complaints and petitions from Norfolk, Alexandria, and other places, against the monopolizing navigation laws of Great Britain, particularly in the trade between the United States and the British West Indies, she deliberated, with a purpose controlled only by the inefficacy of separate measures, on the experiment of forcing a reciprocity by prohibitory regulations of her own. [See Journal of House of Delegates in 1785.]

The effect of her separate attempts to raise revenue by duties on imports soon appeared in representations from her merchants, that the commerce of the State was banished by them into other channels especially of Maryland, where imports were less burdened than in Virginia. [See Journal of House of Delegates for 1786.]

Such a tendency of separate regulations was indeed too manifest to escape anticipation. Among the projects prompted by the want of a Federal authority over commerce, was that of a concert first proposed on the part of Maryland for a uniformity of regulations between the two States, and commissioners were appointed for that purpose. It was soon perceived, however, that the concurrence of Pennsylvania was as necessary to Maryland as of Maryland to Virginia, and the concurrence of Pennsylvania was accordingly invited. But Pennsylvania could no more concur without New York than Maryland without

Pennsylvania, nor New York without the concurrence of Boston, and so forth. These projects were superseded for the moment by that of the convention at Annapolis in 1786, and forever by the convention at Philadelphia in 1787, and the Constitution which was the fruit of it.

There is a passage in Mr. Necker's work on the finances of France which affords a signal illustration of the difficulty of collecting, in contiguous communities, indirect taxes, when not the same in all, by the violent means resorted to against smuggling from one to another of them. Previous to the late revolutionary war in that country, the taxes were of very different rates in the different provinces; particularly the tax on salt, which was high in the interior provinces and low in the maritime; and the tax on tobacco, which was very high in general, while in some of the provinces the use of the article was altogether free. The consequence was, that the standing army of patrols against smuggling had swollen to the number of 23,000; the annual arrests of men, women, and children engaged in smuggling, to 5,550; and the number annually arrested on account of salt and tobacco alone, to seventeen or eighteen hundred, more than three hundred of whom were consigned to the terrible punishment of the galleys.

May it not be regarded as among the providential blessings to these States that their geographical relations, multiplied as they will be by artificial channels of intercourse, give such additional force to the many obligations to cherish that union which alone secures their peace, their safety, and their prosperity? Apart from the more obvious and awful consequences of their entire separation into independent sovereignties, it is worthy of special consideration that divided from each other as they must be by narrow waters and territorial lines merely, the facility of surreptitious introductions of contraband articles would defeat every attempt at revenue in the easy and indirect modes of impost and excise, so that while their expenditures would be necessarily and vastly increased by their new situation they would in providing for them be limited to direct taxes on land or other property, to arbitrary assessments on invisible funds, and to the odious tax on persons.

You will observe that I have confined myself in what has been said to the constitutionality and expediency of the power in Congress to encourage domestic products by regulations of commerce. In the exercise of the power they are responsible to their constituents, whose right and duty it is in that, as in all other cases, to bring their measures to the test of justice and of the general good.

Mr. Speaker, I also submit for printing in the RECORD the notes accompanying this letter, as found in the Letters and Other Writing of James Madison, as follows, to wit:

NOTES

It does not appear that any of the strictures on the letters from J. Madison to J. C. Cabell have in the least invalidated the constitutionality of the power in Congress to favor domestic manufactures by regulating the commerce with foreign nations.

1. That this regulating power embraces the object remains fully sustained by the uncontested fact that it has been so understood and exercised by all commercial and manufacturing nations, particularly by Great Britain; nor is it any objection to the inference from it that those nations, unlike the Congress of the United States, had all other powers of legislation as well as the power of regulating foreign commerce, since this was the particular and appropriate power by which the encouragement of manufactures was effected.

2. It is equally a fact that it was generally understood among the States previous to the establishment of the present Constitution of the United States that the encouragement of domestic manufactures by regulations of foreign commerce, particularly by duties and restrictions on foreign manufactures, was a legitimate and ordinary exercise of the power over foreign commerce; and that, in transferring this power to the Legislature of the United States, it was anticipated that it would be exercised more effectually than it could be by the States individually. (See Lloyd's Debates and other publications of the period.)

It can not be denied that a right to vindicate its commercial, manufacturing, and agricultural interests against unfriendly and unreciprocal policy of other nations, belongs to every nation; that it has belonged at all times to the United States as a Nation; that, previous to the present Federal Constitution, the right existed in the governments of the individual States, not in the Federal Government; that the want of such an authority in the Federal Government was deeply felt and deplored; that a supply of this want was generally and anxiously desired; and that the authority has, by the substituted Constitution of the Federal Government, been expressly or virtually taken from the individual States; so that, if not transferred to the existing Federal Government, it is lost and annihilated for the United States as a Nation. Is not the presumption irresistible, that it must have been the intention of those who framed and ratified the Constitution, to vest the authority in question in the substituted Government, and does not every just rule of reasoning allow to a presumption so violent a proportional weight in deciding on a question of such a power in Congress, not as a source of power distinct from and additional to the constitutional source, but as a source of light and evidence as to the true meaning of the Constitution?

3. It is again a fact, that the power was so exercised by the first session of the First Congress, and by every succeeding Congress, with the sanction of every other branch of the Federal Government, and with universal acquiescence, till a very late date. (See the messages of the Presidents and the reports and letters of Mr. Jefferson.)

4. That the surest and most recognized evidence of the meaning of the Constitution, as of a law, is furnished by the evils which were to be cured or the benefits to be obtained; and by the immediate and long-continued application of the meaning to these ends. This species of evidence supports the power in question in a degree which can not be resisted without destroying all stability in social institutions, and all the advantages of known and certain rules of conduct in the intercourse of life.

5. Although it might be too much to say that no case could arise of a character overruling the highest evidence of precedents and practice in expounding a constitution, it may be safely affirmed that no case which is not of a character far more exorbitant and ruinous than any now existing or that has occurred can authorize a disregard of the precedents and practice which sanction the constitutional power of Congress to encourage domestic manufactures by regulations of foreign commerce.

The importance of the question concerning the authority of precedents in expounding a constitution as well as a law will justify a more full and exact view of it. (See letter of J. M. to C. J. Ingersoll, June 25, 1831, on the subject of the bank, IV, 183.)

It has been objected to the encouragement of domestic manufactures by a tariff on imported ones that duties and imposts are in the clause specifying the sources of revenue, and therefore can not be applied to the encouragement of manufactures when not a source of revenue.

But (1) it does not follow from the applicability of duties and imposts under one clause for one usual purpose that they are excluded from an applicability under another clause to another purpose, also requiring them, and to which they have also been usually applied. (2) A history of that clause, as traced in the printed journal of the Federal convention, will throw light on the subject. (See letter of J. M. to Andrew Stevenson, November 27, 1830, IV, 121.)

It appears that the clause as it originally stood simply expressed "a power to lay taxes, duties, imposts, and excises," without pointing out the objects; and, of course, leaving them applicable in carrying into effect the other specified powers. It appears further that a solicitude to prevent any constructive danger to the validity of public debts contracted under the superseded form of government led to the addition of the words "to pay the debts."

This phraseology having the appearance of an appropriation limited to the payment of debts, an express appropriation was added "for the expenses of the Government," etc.

But even this was considered as short of the objects for which taxes, duties, imposts, and excises might be required; and the more comprehensive provision was made by substituting "for expenses of Government" the terms of the old Confederation, viz, and provide for the common defense and general welfare, making duties and imposts, as well as taxes and excises, applicable not only to payment of debts, but to the common defense and general welfare.

The question then is, What is the import of that phrase, common defense and general welfare, in its actual connection? The import which Virginia has always asserted, and still contends for, is, that they are explained and limited to the enumerated objects subjoined to them, among which objects is the regulation of foreign commerce; as far, therefore, as a tariff of duties is necessary and proper in regulating foreign commerce for any of the usual purposes of such regulations, it may be imposed by Congress, and, consequently, for the purpose of encouraging manufactures, which is a well-known purpose for which duties and imposts have been usually employed. This view of the clause providing for revenue, instead of interfering with or excluding the power of regulating foreign trade, corroborates the rightful exercise of power for the encouragement of domestic manufactures.

It may be thought that the Constitution might easily have been made more explicit and precise in its meaning. But the same remark might be made on so many other parts of the instrument, and, indeed, on so many parts of every instrument of a complex character, that, if completely obviated, it would swell every paragraph into a page, and every page into a volume; and, in so doing, have the effect of multiplying topics for criticism and controversy.

The best reason to be assigned, in this case, for not having made the Constitution more free from a charge of uncertainty in its meaning, is believed to be, that it was not suspected that any such charge would ever take place; and it appears that no such charge did take place during the early period of the Constitution, when the meaning of its authors could be best ascertained, nor until many of the contemporary lights had in the lapse of time been extinguished. How often does it happen that a notoriety of intention diminishes the caution against its being misunderstood or doubted? What would be the effect of the Declaration of Independence or of the Virginia Bill of Rights if not expounded with a reference to that view of their meaning?

Those who assert that the encouragement of manufactures is not within the scope of the power to regulate foreign commerce, and that a tariff is exclusively appropriated to revenue, feel the difficulty of finding authority for objects which they can not admit to be unprovided for by the Constitution; such as insuring internal supplies of necessary articles of defense, the countervailing of regulations of foreign countries, etc., unjust and injurious to our navigation or to our agricultural products. To bring these objects within the constitutional power of Congress, they are obliged to give to the power "to regulate foreign commerce," an extent that at the same time necessarily embraces the encouragement of manufactures; and how, indeed, is it possible to suppose that a tariff is applicable to the extorting from foreign powers of a reciprocity of privileges and not applicable to the encouragement of manufactures, an object to which it has been far more frequently applied?

BUST OF THE LATE SPEAKER CLARK

Mr. RANKIN. Mr. Speaker, I ask unanimous consent to speak for three minutes.

The SPEAKER pro tempore. The gentleman from Mississippi asks unanimous consent to address the House for three minutes. Is there objection?

Mr. STALKER. I object.

Mr. RANKIN. Then, Mr. Speaker, I make the point of order that there is no quorum present.

Mr. STALKER. Mr. Speaker, I will withdraw my objection.

Mr. RANKIN. Then, I will withdraw my point of order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

Mr. RANKIN. Mr. Speaker, I want to call attention to a matter that I think somebody ought to look into.

A few years ago there served in this House two parliamentary giants. They occupied high places in this House and in the Nation. I refer to Champ Clark and James R. Mann.

Some time ago Congress provided for a statue or bust of each one of these men, to be placed out there, almost at the entrance to this Hall. The name of Mr. Mann is carved on his bust, but for some reason the name of Champ Clark is left off his. Sometime ago I saw some schoolgirls looking at those busts, and one said, pointing to the bust of Mr. Clark, "Who is this?" For a time none could answer her; finally one of them said, "Oh, it is McKinley." They went off laughing at what they called their lack of knowledge and considered themselves as somewhat "dumb" in not knowing McKinley's bust when they saw it.

The name of Martin B. Madden is also engraved on his bust, and that is proper. But whoever is responsible ought to see that the name of Champ Clark is engraved on his bust in order that all visiting Americans, all passers-by, may know that it is the representation of the great Missourian whom we all admired and loved.

Mr. CRISP. Mr. Speaker, I may say that I have talked with the Architect of the Capitol about this, and he said the artist who carved the bust of Mr. Mann put Mr. Mann's name on it all right, but he said the Clark bust was carved by another artist. He said he would see to it that the artist put the name of Mr. Clark on the Clark bust.

Mr. RANKIN. The question has not been raised up to this time, but I raise it now, and I insist that it be done. [Applause.]

The SPEAKER pro tempore. The time of the gentleman from Mississippi has expired.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill and concurrent resolution of the House of the following titles:

H. R. 10082. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic at Cincinnati, Ohio; and

H. Con. Res. 33. Concurrent resolution requesting the President to return to the House of Representatives H. R. 185.

The message also announced that the Senate agrees to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the House of Representatives to the bill (S. 15) to amend the act entitled "An act to amend the act entitled 'An act for the retirement of employees in the classified civil service, and for other purposes,' approved May 22, 1920, and acts in amendment thereof," approved July 3, 1926, as amended.

The message also announced that the Senate agrees to the amendments of the House to the amendments of the Senate numbered 39 and 43 to the bill (H. R. 7955) entitled "An act making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1931, and for other purposes."

The message also announced that the Senate insists upon its amendments to the bill (H. R. 12205) entitled "An act granting pensions and increase of pensions to certain soldiers and sailors of the Regular Army and Navy, etc., and certain soldiers and sailors of wars other than the Civil War, and to widows of such soldiers and sailors," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBINSON of Indiana, Mr. NORBECK, and Mr. WHEELER to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 11965) entitled "An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1931, and for other purposes," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. JONES, Mr. SMOOT, Mr. HALE, Mr. BROUSSARD, and Mr. COPELAND to be the conferees on the part of the Senate.

The message also announced that the Senate insists upon its amendments to the bill (H. R. 12013) entitled "An act to revise and equalize the rate of pension to certain soldiers, sailors, and marines of the Civil War, to certain widows, former widows of such soldiers, sailors, and marines, and granting pensions and increase of pensions in certain cases," disagreed to by the House; agrees to the conference asked by the House on the disagreeing votes of the two Houses thereon, and appoints Mr. ROBINSON of Indiana, Mr. NORBECK, and Mr. WHEELER to be the conferees on the part of the Senate.

CLOSING OF CENTER MARKET, WASHINGTON, D. C.

Mr. McLEOD. Mr. Speaker, by direction of the Committee on the District of Columbia, I call up Senate Joint Resolution 77.

The SPEAKER pro tempore. The gentleman from Michigan, by direction of the Committee on the District of Columbia, calls up Senate Joint Resolution 77, which the Clerk will report.

The Clerk read as follows:

Senate Joint Resolution 77

Joint resolution providing for the closing of Center Market in the city of Washington

Resolved, etc., That the Secretary of Agriculture is authorized and directed to give notice that the Government will cease to maintain the public market known as Center Market in the city of Washington after June 30, 1930. The buildings used and occupied for the purposes of such market shall be vacated on or before such date.

With a committee amendment as follows:

Strike out all after the enacting clause and insert: "That on January 1, 1931, or 60 days after notice is given by the Secretary of Agriculture, which notice shall not be given before September 1, 1930, all leases and contracts made by the Secretary of Agriculture under authority of the act entitled 'An act to repeal and annul certain parts of the charter and lease granted and made to the Washington Market Co. by act of Congress entitled "An act to incorporate the Washington Market Co.," approved May 20, 1870,' approved March 4, 1921, shall terminate and expire, and thereafter the property known as Center Market in the District of Columbia shall no longer be used as a public market."

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the third reading of the Senate joint resolution as amended.

The Senate joint resolution as amended was ordered to be read a third time, was read the third time, and passed.

A motion to reconsider the vote whereby the Senate joint resolution was passed was laid on the table.

STREET-CAR FARES, SCHOOL CHILDREN

Mr. McLEOD. Mr. Speaker, I call up the bill (H. R. 12571) to provide for the transportation of school children in the District of Columbia at a reduced fare.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. McLEOD] calls up the bill H. R. 12571, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That after the expiration of 30 days from the date of the enactment of this act the rate of fare for the transportation of children going to or from public schools in the District of Columbia upon street-railway or motor-bus lines in the District of Columbia shall be 2 cents. The Public Utilities Commission of the District of Columbia shall have power to determine which students live far enough from school or have physical disabilities such as would require transportation at reduced fare, and the Public Utilities Commission is hereby authorized and directed to make such rules and regulations as may be necessary to carry out the purposes of this act.

Mr. STAFFORD. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. STAFFORD. As I understand, the two street-car companies operating in the District of Columbia claim that the present rate of fare charged is not remunerative and is virtually without profit in the operation of the system. They have been contending here for some time for a higher rate of fare. I wish to direct this question to the gentleman from Michigan [Mr. McLEOD], whether the committee has considered in the consideration of this bill that the lowering of the rate for some of the users of our street cars might be considered by the courts confiscatory, and therefore not constitutional under that clause of the Constitution which does not authorize the taking of private property without due compensation?

Mr. McLEOD. I will say to the gentleman from Wisconsin [Mr. STAFFORD] relative to the constitutional question that the gentleman raises that for the past several years more than 15 cities of the United States have special reduced fares for school children. The object of this bill is to give them a reduced rate. The question was before the committee of giving a free fare. It was felt by the committee for the reason that schoolbooks are free in the District of Columbia and that education is free in the public schools of the District of Columbia, it was a great hardship on the parents of those children to send their children to school sometimes a distance of 2 miles, and reduced fares is in the same category and in the same order of taking care of the children, as has been done elsewhere relative to their education.

Mr. STAFFORD. I can understand, and every Member present can understand that in a general bill covering the proposition of fares in general, it would be entirely consistent to incorporate in that bill a provision granting either free fares or much lower fares for school children, but I am directing my inquiry to the question as to whether it is in the constitutional power of Congress assuming that the present fares are not compensatory, to pass this character of legislation, prescribing a lower rate of fare than that now charged?

Mr. McLEOD. It is within the jurisdiction of the public utilities commission which may be in existence in any of the great municipalities to fix the rate of fare not only for children but for adults.

Mr. STAFFORD. This bill does not leave it to the discretion of the Public Utilities Commission of the District of Columbia to fix respective fares, but this bill by congressional mandate prescribes the rate of fare for the carriage of school children at 2 cents.

Of course, the gentleman from Michigan [Mr. McLEOD] is acquainted with the decisions of the Supreme Court that where State legislatures have attempted to prescribe a mileage rate, where it was shown not compensatory, the Supreme Court has decided it was beyond the power of the public utilities commission or the legislatures to prescribe noncompensatory rates. I am just asking whether the committee considered that phase of the question?

Mr. McLEOD. I would say that the question as to the constitutionality of the proposition was never raised in the committee relative to the 12 or 15 cities that now have these reduced fares.

Mr. STAFFORD. But in that instance the rate of fare to be charged for the carriage of school children may have been part and parcel of a general fare ordinance or provision. They may have made adequate compensation provision in other particulars, and the street-car companies could not have then claimed that the reduction was not compensatory. But it is stated here that in spite of the fact that the present rate of fare is not compensatory you shall carry this class of patrons at a less fare than a compensatory rate.

Mr. McLEOD. We do not say the present fare is not compensatory.

Mr. STAFFORD. That has been the contention of the street-car companies for several years.

Mr. HOOPER. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. HOOPER. I did not hear the first part of the gentleman's statement, and perhaps the question I want to ask has been answered. I notice it is stated that the rate of fare is changed for the transportation of children. Is the term "children" defined anywhere as to age?

Mr. McLEOD. School children.

Mr. HOOPER. Does it mean children in the grades or in the kindergarten, or does it go to the extent of meaning children in high schools?

Mr. McLEOD. All children in all grades.

Mr. HOOPER. That would mean through and including the high schools?

Mr. McLEOD. Yes.

Mr. HOOPER. Is it not rather a sweeping piece of legislation to change the rate of fare in this way by this sort of a bill? Does it not occur to the gentleman that that is rather sweeping legislation in a district of 500,000 people to insist that the street-car company shall carry all school children at less fare than other people?

Mr. BOWMAN. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. BOWMAN. General Patrick, chairman of the Public Utilities Commission, testified before the District Committee that if Congress passed legislation that would reduce the fares of school children, it would necessarily have to raise the fare of adults in the District of Columbia.

Mr. HOOPER. Of course, it would mean the putting on of extra cars at school hours, would it not?

Mr. BOWMAN. Absolutely.

Mr. STAFFORD. Especially in view of the fact that it extends to high-school students. The very time when they are going to or coming from school would be at the time of the peak load of carrying passengers in the District of Columbia when the department clerks are going to or coming from work.

Mr. McLEOD. I think not. The schools are out between 3 and 4 o'clock, and there is no department that closes before 4.30 p. m.

Mr. STAFFORD. I have seen them out on the streets, especially during the summer season, before 4 o'clock.

Mr. HOOPER. Does this include private schools as well as the public schools?

Mr. McLEOD. No; only the public schools.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. CHINDBLOM. Did Congress fix the rates of fare charged street-car passengers in the District of Columbia?

Mr. McLEOD. Not to my knowledge.

Mr. CHINDBLOM. How have the present fares, both for adults and for children, been fixed?

Mr. McLEOD. By the Public Utilities Commission.

Mr. CHINDBLOM. Has it not been done after conference or under some arrangement or agreement with the companies themselves?

Mr. McLEOD. They have never been able to reach a satisfactory arrangement. As a matter of fact, the case that is now pending before the Supreme Court was first heard by the Public Utilities Commission.

The Public Utilities Commission refused to grant an increased fare, and the street-car companies, claiming that they are still correct, have their case now pending.

Mr. CHINDBLOM. The street-car companies are operating under a franchise, I presume, which has been granted to them by the Public Utilities Commission under authority of legislation passed by Congress?

Mr. McLEOD. Yes.

Mr. CHINDBLOM. Nothwithstanding that franchise and notwithstanding the contractual relation that may be existing, we are now proposing to legislate a rate of fare for children. No matter how appealing the subject matter may be, I am asking these questions in the interest of what I consider to be proper legislation upon a matter which is the subject of a contract.

Mr. BOWMAN. Will the gentleman yield?

Mr. McLEOD. Yes.

Mr. BOWMAN. In most cases where there is a reduced car-fare for children it has come about primarily by a contract between the board of education and the street-car company. In other words, the boards of education in various communities have made contracts for the transportation of these children to public schools, but this legislation attempts to fasten upon the street-car companies a reduced fare for school children, which will eventually result in an increased fare for adults in the District of Columbia.

Mr. STALKER. I will say to the gentleman that the amount involved here is only $15,000 per annum.

Mr. HOOPER. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. HOOPER. Does not this throw an enormous and unprecedented burden upon the Public Utilities Commission? Under this bill there would have to be—at least as I look at its terms—an application made by thousands of children or their parents to the Public Utilities Commission, and the commission would have placed upon it the burden of determining, out of thousands and thousands of children, what children were entitled to the privilege of this reduced fare; and would not that involve them in continual dispute as to what children should be entitled to the reduced rate and what children should not?

Mr. McLEOD. That question was discussed in the committee, and it was determined at that time and agreed to by

General Patrick, the chairman of the commission, that the Board of Education could readily issue certain cards to those who were entitled to this reduced transportation, if it were shown by them that the distance of their homes from the schools was too great for them to attend school.

Mr. HOOPER. Does not my colleague think that in legislation of this character there should be a fixed and certain method provided by which the Public Utilities Commission should work and that certain rules should be laid down in the legislation for them as to how they are to act, as to how they are to discriminate, and as to how they are to determine these questions?

Mr. McLEOD. The committee did not feel it was qualified to make regulations as to how this should be handled. Knowing that the commission would have the facilities of the Board of Education in bringing this about, it was determined by the members of the Public Utilities Commission present at the hearing that this matter could be taken care of, eliminating any question of an increase to the street-car companies.

Mr. HOLADAY. Will the gentleman yield?

Mr. McLEOD. Yes.

Mr. HOLADAY. I notice the bill provides that—

The Public Utilities Commission of the District of Columbia shall have power to determine which students live far enough from school or have physical disabilities such as would require transportation at reduced fare.

Under that would not any and all children have the right to file an individual petition with the Public Utilities Commission for a hearing on their specific cases?

Mr. McLEOD. If the Public Utilities Commission saw fit to handle it in that way, but the utility commissioners thought that the way the matter would be handled would be by the Board of Education recommending that certain children living far enough from school be transported at this reduced rate of fare. That is the way it was suggested the matter could be handled.

Mr. HOOPER. Will the gentleman yield again?

Mr. McLEOD. Yes.

Mr. HOOPER. Do the policemen, the mail carriers, and other public servants in the District have the right to ride on the street cars without charge?

Mr. McLEOD. I believe they have that right.

Mr. HOOPER. If they have that right, and all of the school children, or many of the school children in the District, have that right, would there not be a precedent to which other people might appeal providing for still other classes of people to ride at a reduced fare, which would be just as consistent and feasible as legislation of this sort before us?

Mr. McLEOD. The gentleman couples the school children with the policemen and firemen and says they would ride free, but this bill provides that school children shall pay 2 cents.

Mr. HOOPER. Why should not the teachers ride free?

Mr. McLEOD. No one is designated to ride free; even the children do not ride free.

Mr. HOOPER. Well, why should not the teachers ride for 2 cents?

Mr. McLEOD. I might say that in Pasadena, Calif., the children ride for 2 cents; in San Francisco, 2½ cents; Sacramento, 2½ cents; Birmingham, Ala., 2½ cents; Springfield, 3½ cents; Oakland, Calif, 3½ cents; Omaha, 3½ cents; Cleveland, 3½ cents; Ogden, Utah, 2½ cents; Troy 3 cents; Dallas, 3½ cents; Los Angeles, 3½ cents; San Antonio, 3½ cents; Richmond, 3½ cents; and Seattle, 2½ cents.

Mr. HOOPER. Has there been a complete study made as to what effect this would have upon the financial program of the street-car companies here?

Mr. McLEOD. It has been suggested that by reason of the taxicab war which seems to be pending at the present time, much of the transportation carried by the street-car companies has reverted to the taxicabs, and this is being seriously felt by the street-car companies, and it is believed that the additional children who would ride for 2 cents would be of benefit to the street-car companies.

Mr. HOOPER. At the hearings held before the committee were the street-car companies represented at all?

Mr. McLEOD. Yes.

Mr. HOOPER. What was their attitude toward this legislation?

Mr. McLEOD. I will say to the gentleman that this question was discussed in committee when the merger bill was being heard and this bill was offered as an amendment to the merger bill and stands to-day identical to an amendment in that bill. The two companies were represented by their presidents at that time.

Mr. HOOPER. Was there any estimate made as to what would be the cost in a year to the railroad company of additional equipment, additional men, and other additional overhead expenses?

Mr. McLEOD. The gentleman from New York [Mr. STALKER], a member of the committee, just informed the House that the cost for carrying these children might amount to about $15,000.

Mr. HOOPER. A year?

Mr. McLEOD. A year.

Mr. CHINDBLOM. The gentleman said there was a hearing on the merger legislation at which the representatives of the companies were present. Have the companies been heard on this bill (H. R. 12571)?

Mr. McLEOD. No; but they were heard on the amendment that was in the other bill.

Mr. CHINDBLOM. That was a part of a general scheme for the merger of the companies and embraced the entire subject of all fares.

Mr. McLEOD. Yes.

Mr. BOWMAN. Will the gentleman yield?

Mr. McLEOD. Yes.

Mr. BOWMAN. Reduced car fare for school children was an amendment in the merger bill only.

Mr. CHINDBLOM. And the merger bill covered the entire question of rate making, did it not?

Mr. BOWMAN. Absolutely. The merger bill simply gave to the Public Utilities Commission the right to determine the fare for school children. The Public Utilities Commission claim they have no right at the present time to determine fares for school children.

Mr. TABER. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. TABER. Under the first sentence of this bill there is an absolute provision that all school children, regardless of anything, shall pay fare at the rate of 2 cents. Now, what is the possible meaning of the rest of the language, that some may apply for a lower fare than that, or what?

Mr. McLEOD. What part of the language does the gentleman refer to?

Mr. TABER. The rest of the language of the bill after the words "2 cents." It is perfectly clear down that far that you have provided that all school children shall pay 2 cents going to and from school. The rest of the language is for what purpose?

Mr. McLEOD. The rest of the bill determines who shall ride at that rate of fare.

Mr. TABER. I beg the gentleman's pardon, but it does not. You have provided that all school children shall ride at 2 cents and then you have some language after the words "2 cents" that has no definite meaning whatever.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. McLEOD. Yes.

Mr. CHINDBLOM. There is apparently a difference. The first part relates to children going to or from the public schools in the District of Columbia, and the second part relates to students who live far enough from school or have physical disabilities, and so on.

Mr. TABER. Are not students and school children the same thing?

Mr. CHINDBLOM. Whether it is intended they shall be the same thing does not appear.

Mr. TABER. I do not think the language is clear enough so that it would be safe for the House to consider it.

Mr. STAFFORD. If the gentleman will permit, I read the second sentence in connection with the first, and I thought the Utility Commission was going to have the power to determine what class of school children should have these street car fare privileges. Certainly, we are not going to give this privilege to children who would only have to ride a block.

Mr. McLEOD. No; that is why the second provision is in the bill.

Mr. TABER. It is not a limitation.

Mr. STAFFORD. Then I will repeat the question directed by the gentleman from New York as to whether the word "students" should not be changed to "school children," so it will read, "which said school children."

Mr. HULL of Wisconsin. If the gentleman will permit me to explain; you have a provision now for carrying disabled children, children who are ill and not able to walk to the various schools. The second part of the bill relates to the same kind of regulation you now have under the orders of the Public Utility Commission for the carrying of those children. The first part provides that all school children may be carried at a 2-cent rate.

As to the power of the Congress and the power of the commission, Congress has ample power to regulate the rates of street-car fares in the District of Columbia. It can delegate that power and has, in a general way, delegated that power

to the Public Utilities Commission. So far, so good; but under the power so far delegated to the commission it has not the power to provide free fares, or smaller or reduced fares, to the school children who are particularly interested in this measure, and that is the object of this bill. So far as the revenues of the companies are concerned, none of the presidents or attorneys appearing for the companies before the committee violently objected to that feature of the subcommittee's report fixing the fare at two cents, or even to free fares. They made no strenuous objections to it.

Mr. BOWMAN. If the gentleman will yield there, the street-car companies had no opportunity to appear at a hearing on this particular bill.

Mr. HULL of Wisconsin. Not on this particular bill, but the subject was taken up in connection with a proposed merger bill which was not reported out by the committee, and the subject was thoroughly gone over, and if you will take the report on the merger bill you will find there was no fight on the part of the companies to this proposition.

Mr. STAFFORD. Provided they were compensated by higher fares to be charged to adults using the service, I presume.

Mr. HULL of Wisconsin. And, furthermore, those companies now have an application pending in the courts for an increase of fare regardless of whether you pass this bill or not. Furthermore, while the merger bill was under consideration, with all the advantages that bill would have given the companies, they went on to say that if that bill were enacted into law they would not foreclose themselves from going into court and asserting their constitutional privileges, and bringing about a still higher rate of fare than that considered in the present application before the courts.

Mr. STAFFORD. Then, as I understand my colleague's position, this bill has two purposes: First, to grant a 2-cent fare to all school children going to and from school, and an additional privilege of conferring upon the Utility Commission the authorization to include certain students living far enough away and for physical disability.

Mr. HULL of Wisconsin. They have that latter privilege now.

Mr. STAFFORD. The gentleman takes a different position in the interpretation of the bill than does the chairman.

Mr. HULL of Wisconsin. I can not help that.

Mr. TABER. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. TABER. I am going to suggest that if this legislation is passed we adopt an amendment so that the legislation will be clear. I suggest that after the word "children" in line 5, you insert the words "found entitled to reduced fares as hereinafter provided." And on line 9 strike out the word "student" and insert the words "school children" so that the same term will be used throughout the bill. Will the committee agree to it?

Mr. McLEOD. The committee will accept that amendment.

Mr. HOLADAY. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. HOLADAY. Is it the intention that this should apply to normal-school children? They are children under age going to public school.

Mr. TABER. It would be better if the term "school children" were further defined.

Mr. McLEOD. The bill reads "public schools."

Mr. HOLADAY. Normal schools are public schools.

Mr. TABER. The bill reads to children going to and from public schools.

Mr. HOLADAY. What about an 18-year-old girl going to normal school?

Mr. McLEOD. She would come within the legislation.

Mr. HOLADAY. How would it be if she were over 21 years of age?

Mr. McLEOD. We did not intend to include those.

Mr. WHITLEY. Why are parochial schools excluded?

Mr. McLEOD. Because the city of Washington has nothing to do with children going to parochial or private schools.

Mr. CLARK of Maryland. Will the gentleman yield?

Mr. McLEOD. Yes.

Mr. CLARK of Maryland. Do I understand that there are 15 cities in the United States that have a reduced fare for school children?

Mr. McLEOD. That is right.

Mr. CLARK of Maryland. Were they established voluntarily or were they imposed by legislation?

Mr. McLEOD. I can not answer that; I only know the fact that they have reduced fares.

Mr. CLARK of Maryland. I think the gentleman will find that for special reasons they have been voluntarily established by the railway companies. I do not think that you will find that they have been imposed on the companies by legislation. Will the gentleman state whether the Public Utilities Commission of the District has been given the right by Congress to fix fares?

Mr. McLEOD. They have the right to fix fares.

Mr. CLARK of Maryland. Is there any special reason why Congress should act directly with respect to fares of school children instead of leaving the matter to the commission?

Mr. HULL of Wisconsin. The reason is, that under the law as it exists now, the commission has no right to grant special fares for school children. It is proposed in this bill to fix the rates, as Congress has the right to do.

Mr. CLARK of Maryland. Congress having established a rate-making body, why not give the commission the authority to fix the fares for school children, or commutation fares?

Mr. HULL of Wisconsin. Because we have the undoubted right to fix fares here and the commission has taken the position that it has not the right to change them. Instead of giving it a broader power and letting it fix the rate, Congress should take into consideration the fact that the parents are unable to pay the fares for these children who live long distances from school and determine what the rate shall be. We are asking Congress to consider the plight of these school children, the necessity of lower fares for them, in order to advance the cause of education in the District of Columbia. We recognize the fact that it may be necessary for this added expense to go into the general total, and to come in for consideration when these companies go before the commission and the courts, as they are constantly doing, to get an increase in fares for adults, but the cost of this rate for children would be so small that there would not be a cent's difference nor a half cent's difference in the fares paid by adults; so there is no reason why Congress should not at this time take into consideration these poor children who need this reduction. There is no reason why Congress should not exercise the authority which it has to fix the rate, nor to quibble whether the railway company wants it, or the Public Utilities Commission will grant it to them, but simply take into consideration the people who need this reduction and give it to them.

Mr. CLARK of Maryland. Congress has not waived any of its rate-fixing power in this matter, and neither has any State waived its rate-fixing power by the establishment of utility commissions, but when utility commissions are established, they are established for the purpose of hearing all of the facts that have any bearing on the fairness of the charge, which takes into consideration, of course, the valuation or rate base and other matters bearing on the question of the fairness of the charge.

When Congress established this Public Utilities Commission, it established it for the purpose of conducting hearings having any bearing on all questions of charges for street-car service. Here we are being asked to vote on the question of a fare, when we are not in possession of the facts that are necessary for us to determine whether this is a just fare. Here is a report consisting of just a page and a half. It does not set out the necessary facts to enable me, and I am sure other Members of Congress, to determine whether this 2-cent fare is just and proper.

Mr. HULL of Wisconsin. I would like to say to the gentleman that the point is that Congress has not given the commission power to discriminate between the adult and the school child. This bill asks Congress to take into consideration the fact that there are a large number of poor people living a wide distance from their schools, and the necessity of transporting these pupils at a moderate rate, in order that they may go to school and obtain an education.

Mr. CLARK of Maryland. If the law is not broad enough, let us broaden the law.

Mr. HULL of Wisconsin. It is the same system that various States have made for the transportation of children to school. Thousands of school children in the rural districts are being transported free of cost to the schools. This is a proposition of applying that transportation system to the young children of this District, and that is all it is. The question involved is not the power of Congress, not what the Public Utilities Commission might do; but the question is whether Congress is going to recognize this situation and come to the aid of these poor children in the manner this bill sets forth, and that is all there is to it.

Mr. CLARK of Maryland. Would the gentleman have any objection to giving our rate-fixing body, established by Congress, the power to fix such a fare?

Mr. HULL of Wisconsin. I would like to answer the gentleman, but in order to answer him it might be necessary to refer to the action of the commission in regard to other matters of transportation in this district, and that I do not care to do at this time. It is a question of whether or not we are going

to help the poor children in the District of Columbia, and that is the whole proposition.

Mr. HOOPER. Mr. Speaker, let me ask the gentleman from Maryland a question. The gentleman is a student of public utility commissions and their functions and the laws governing rates. Is not this pretty close to confiscation?

Mr. CLARK of Maryland. I have no doubt about what the judgment of a court would be upon this proposed law, but, Congress having established a body for the purpose of weighing and determining such cases, it seems to me that we should not now depart from that policy and attempt to fix a street car fare by direct enactment.

Mr. ARENTZ. Mr. Speaker, will the gentleman yield?

Mr. McLEOD. Yes.

Mr. ARENTZ. Apparently this bill is thought necessary because throughout the length and breadth of our country in the rural districts children are being transported to schools in busses free of charge. I would like to see some provision placed in this bill which would follow out the practice in the rural districts. To be fair to the public service corporations, and I hold no brief for them because I am in favor of the ordinary individual rather than the corporation, it would seem to me that Congress should provide some payment to cover the cost of the transportation of these children, I think they should receive a low fare or even a free fare, but the District of Columbia and the Federal Government jointly should pay for it.

As the gentleman from Maryland [Mr. CLARK] has so well said, in reply to the question of the gentleman from Michigan, this amounts to confiscation. Besides, it is merely stepping in and paving the way for a 10-cent fare in the future. I expect just as much as I know that I am standing here to-day, that there will be a 10-cent fare levied on the people of the District, if this bill is enacted, upon the foundation that you are erecting here to-day, that is, a 2-cent fare for children without reimbursement.

Mr. STALKER. There is only $15,000 involved in the bill.

Mr. ARENTZ. Then, why not pay it and eliminate any possibility of the corporation coming in and asking for a 10-cent fare?

Mr. STALKER. Why, this does not amount to one-quarter of 1 per cent when we are talking about an increase of 3 cents in the adult fare.

Mr. ARENTZ. But you are merely paving the way for charging the man and wife who are supporting these children an increased street-car fare.

Mr. HULL of Wisconsin. The companies are now in the courts after an increased fare, claiming that the present rate of fare fixed by the commission in this District is confiscatory.

Mr. ARENTZ. The profits being paid by the corporations will either justify that or not. It is my opinion that they are not justified in asking for a 10-cent rate, or even a 9-cent fare.

Mr. HULL of Wisconsin. What if the court decides the other way?

Mr. ARENTZ. Then it is my opinion that we can do as we have done in other cases, hold it up until we can decide on whether they are going to exist in the District of Columbia at all or not.

Mr. ARNOLD. Mr. Speaker, will the gentleman from Michigan yield?

Mr. McLEOD. Yes.

Mr. ARNOLD. By this legislation we are clearly circumventing the authority that was given to the Public Utilities Commission.

Now, does not the gentleman realize that if legislation of this kind is to be passed it should not take the form of a positive direction to the Public Utilities Commission to fix the rate to the school children at the lower rate provided for? It seems to me we have created an agency here to regulate and exercise supervision over rates, and now we are taking authority away from that commission arbitrarily without having made any study whatever as to the necessity of it or the condition that would justify it. This bill directly fixes the rate of fare for school children at 2 cents by congressional enactment, and the Public Utilities Commission has nothing whatever to say or do as to the rate for school children.

Mr. McLEOD. We are trying to give the Public Utilities Commission the power.

Mr. ARNOLD. If we were to direct the Public Utilities Commission to give a lower rate for school children provided this legislation is justifiable, then we would be consistent; but in giving absolute direction to the agency which Congress has created we are circumventing that agency.

Mr. McLEOD. It is a question whether the people would prefer this legislation.

Mr. ARNOLD. The question is as to the method you are pursuing here to accomplish the purpose. It seems to me entirely improper for the strong arm of Congress to step in and arbitrarily fix the rate at 2 cents. If it should be fixed at 2 cents, let us direct the Public Utilities Commission to consider the question on that basis.

Mr. HOOPER. Mr. Speaker, will my colleague yield?

Mr. McLEOD. Yes.

Mr. HOOPER. I think that everybody in this House would want to see any advantage given to the school children which it is possible to give them. I do not think anyone would question that, or that anyone who is opposed to the terms of this bill would be opposed to giving the school children all the advantage they could possibly have. But it seems to me the House is treading on very dangerous ground if it passes this bill and enacts it into law and reduces by one sweeping gesture the rate of fare from 8 cents to 2 cents under the circumstances outlined in this bill. It seems it is verging as nearly on confiscation as anything I have ever heard proposed or urged in the House of Representatives since I have been a Member here.

If this legislation is passed, it seems to me that at once a great number of people will try to take advantage of it. The Public Utilities Commission will be powerless, and the street-car companies will have to put on extra rolling stock under the circumstances. When the street-car companies are called upon to carry out this provision the question will be raised in the courts whether this provision is confiscatory or not. It seems to me that it is confiscation when it reduces the rate of fare down to a point where it will not be profitable, but highly unprofitable for the street-car lines to follow this law. I believe this question should be put up to the Public Utilities Commission of the District of Columbia, and that it should be left to them to determine what rate would be confiscatory and what rate would not be confiscatory.

Mr. McLEOD. I will say to the gentleman that that has already been done.

Mr. HULL of Wisconsin. The commission has already studied this question. If you are going to make this rate the same as the adult rate, there is no possible way by which you can establish a cheaper fare. You can not say that one person, occupying half a seat, should pay less than another person occupying the other half of the seat. This measure would affect the company in such a small way that they are not likely to go into court and complain of its being confiscatory.

Mr. HOOPER. Can the gentleman state the approximate number of children who would take advantage of the lower rate?

Mr. McLEOD. Some 50,000. It will cost about $30,000 per annum, but by the reduction estimated in this bill it is believed that it will actually not cost more than $15,000.

Mr. HOOPER. How many children is it estimated would ride at 2 cents a fare?

Mr. McLEOD. All those who would have to ride from a sufficient distance from their homes to the schools.

Mr. HOOPER. That is what I am asking.

Mr. McLEOD. About 50,000 children. About $15,000 would be the estimated cost.

Mr. BOWMAN. Fifty-seven thousand school children would have the right to ride on the 2-cent fare.

Mr. TAYLOR of Colorado rose.

The SPEAKER pro tempore. Does the gentleman from Michigan [Mr. McLEOD] yield to the gentleman from Colorado?

Mr. McLEOD. Yes.

Mr. TAYLOR of Colorado. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by inserting a brief address that I made over the Columbia Broadcasting system to-day, inviting the general Federation of Women's Clubs of the United States to come to the State of Colorado for their annual meeting next month.

The SPEAKER pro tempore (Mr. CHINDBLOM). Without objection, the Chair will recognize the gentleman from Colorado without prejudice to the rights of the gentleman from Michigan [Mr. McLEOD] and submit the request of the gentleman from Colorado.

The gentleman from Colorado [Mr. TAYLOR] asks unanimous consent to extend his remarks by printing an address made by himself with reference to a meeting of women's clubs in Colorado. Is there objection?

There was no objection.

(The matter referred to appears below after the conclusion of the consideration of H. R. 12571.)

Mr. STAFFORD. Will the gentleman from Michigan [Mr. McLEOD] yield?

Mr. McLEOD. I yield.

Mr. STAFFORD. Does the gentleman propose to offer any amendments to the bill?

Mr. McLEOD. Yes.

The SPEAKER pro tempore. The Chair will state that if amendments are offered they should be offered now.

Mr. McLEOD. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McLEOD: Page 1, line 5, after the word "children" insert the words "found entitled to reduced fare as hereinafter provided";

And on page 1, line 9, strike out the word "students," and insert in lieu thereof the words "school children."

The amendments were agreed to.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and on a division (demanded by Mr. McLEOD) there were—ayes 21, noes 14.

So the bill was passed.

Upon motion of Mr. McLEOD, motion to reconsider the vote by which the bill was passed was laid on the table.

COLORADO AND THE CONVENTION OF THE GENERAL FEDERATION OF WOMEN'S CLUBS

Mr. TAYLOR of Colorado. Mr. Speaker, under authority granted me heretofore, I insert in the RECORD a brief address that I delivered to-day over the Columbia Broadcasting system, WMAL, Washington, D. C., to the ladies of the General Federation of Women's Clubs throughout the country, inviting them to come to Colorado and attend their annual convention in Denver, from the 5th to 14th of next month, as follows:

RADIO ADDRESS OF CONGRESSMAN EDWARD T. TAYLOR OF COLORADO, MAY 26, 1930

Ladies of the General Federation of Women's Clubs from every State and clime wherever you may be affiliated, I most highly appreciate the privilege of addressing you through the courtesy and by invitation of the Colorado Federation of Women's Clubs.

All Colorado is supremely proud to be honored by a convention of your great organization.

Denver is the great western convention city, and entertains a great many of them every year; but she has never entertained one that all Colorado feels more kindly toward, or has a higher appreciation of, than we all do for the General Federation of Women's Clubs.

Our entire population wants you all to come and see what a Colorado welcome means. We know you will have one continuous charming and surprising delight.

We Coloradans all firmly believe that Denver is one of the most modern, up to date, and beautiful cities in the world, and that our capital city richly deserves the proud distinction of being universally known as "The Queen City of the Mountains and Plains." Her parks, boulevards, and scenic drives are unsurpassed anywhere.

We want you to also get out and see something of our State during your visit. And I want to tell you just a few things about one of the most unique States in the Union. No one can do justice to Colorado in five minutes or five days.

Colorado was admitted into the Union in 1876, the centennial year, and has ever since been known as "The Centennial State." By actual geological survey it is the highest State in the Union. The highest part of the main range of the Rocky Mountains runs north and south through the center of the State. The eastern half slopes to the Atlantic Ocean, and the western half to the Pacific. So that Colorado is on the highest ridge of the backbone of North America, on the very crest of this continent; actually on the top of the world, where she shines as the Kohinoor of all the gems of this Union.

There are some 56 mountain peaks over 14,000 feet high in the entire United States, and 46 of them are in Colorado. There is no region on this planet that equals in grandeur our superb scenery. President Roosevelt christened Colorado, "the Summer Playground of the Nation." It is indeed, "the Switzerland of America."

The entire central part of our State from Wyoming to New Mexico is a most sublime and gorgeous mountain park, 300 miles long and a hundred miles wide.

You will find good railroads and busses and automobile accommodations on fine highways to visit many thousands of our attractions. Many hundreds of thousands of tourists visit us every summer, and after they come once, they quit going to Europe or anywhere else for scenery.

Our rare and pure atmosphere, our almost perpetual sunshine, and healthful and invigorating climate is known and praised in every civilized country. One large hotel in the city of Gunnison, in my congressional district, has for many years advertised, "Free meals every day the sun don't shine," and "Free beds every night that ain't cool."

We want you to visit the Rocky Mountain National Park and go up to an elevation of over 12,000 feet where you can see the snow-capped peaks of the Rockies for 200 miles north and south and as far as the human eye can reach, east to the plains of Kansas and west to the Blue Mountains in Utah. Take a trip past Pikes Peak; through the Royal Gorge; through the world-renowned mining camp of Leadville.

Cross over the Continental Divide at Tennessee Pass and see the Pacific slope of our State. See the wonderful Mount of the Holy Cross, where on its mammoth side is placed by eternal snow that holy symbol. Go through the marvelous scenic canyons of the Eagle and Colorado Rivers. Stop and see my beautiful little mountain home city of Glenwood Springs, one of the gems of the Rockies, where there is a river flow of hot mineral water and the largest outdoor mineral-water swimming pool in the world. You ought if possible to visit Meeker, Craig, and Steamboat Springs. But you must go on down "where the silvery Colorado wends its way" to the city of Grand Junction, the metropolis of western Colorado, and visit the Colorado National Monument and the Grand Mesa; and then on to Delta, Montrose, Ouray, and over the "Chief Ouray Million-Dollar Highway" to Silverton, Durango, and the Mesa Verde National Park and see the home and the ruins of the ancient cliff dwellers, a race that were driven out or exterminated a thousand years before Columbus discovered America.

That will be a most weird and fascinating experience, and we think that million-dollar highway has no scenic equal on earth.

I assure you all that a most hearty reception and cordial welcome awaits you to a land of awe-inspiring grandeur and beauty and a trip the memory of which will be a joy to you forever.

Trusting and believing that your meeting in our beautiful capital city of Denver will be one of the most delightful and profitable gatherings you ever had, and on behalf of the Colorado federation and a million sons and daughters of our proud wonderland, I bid you—

Come out to the land of the sturdy pine
The crest of the Nation, where the sun doth shine,
Where the weak grow strong and all things grow great,
Come, visit our home, the Centennial State.

APPOINTMENT OF ADDITIONAL JUDGE FOR THE WESTERN DISTRICT OF MISSOURI

Mr. LOZIER. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD by printing a letter from Hon. Merrill E. Otis, judge of the Western Federal district of Missouri, addressed to my colleague the gentleman from West Virginia [Mr. BACHMANN], a member of the House Committee on the Judiciary, in which communication Judge Otis analyzes the condition of the dockets in that district, shows that there is no congestion of cases, or delay in the administration of justice, or any necessity for the appointment of an additional judge in that district, in which opinion the other district judge, Hon. Albert L. Reeves, concurs.

Inasmuch as the House Judiciary Committee has favorably reported a bill to provide an additional judge for the eastern and western districts of Missouri, I think the Members of the House are entitled to the information contained in Judge Otis's letter, as he has therein stated in detail conditions in the district over which he and Judge Reeves preside. I am not informed as to conditions in the eastern district of Missouri, and I make no representations as to whether or not an additional judge is needed in that jurisdiction.

The SPEAKER pro tempore. The gentleman from Missouri [Mr. LOZIER] asks unanimous consent to print a letter from Judge Merrill E. Otis with reference to the condition of the docket in his judicial district. Is there objection?

There was no objection.

The letter is as follows:

APRIL 24, 1930.

Hon. CARL G. BACHMANN,
Member of Congress, Washington, D. C.

DEAR CONGRESSMAN BACHMANN: The Kansas City Star for last evening, April 24, contained a Washington dispatch which I inclose herewith. It appears therefrom that there is pending in Congress a bill introduced by you providing for 18 additional Federal judges, including 1 for the eastern and western districts of Missouri. I do not know what stage this bill has reached. Some days ago I had a telegram from Congressman DYER, a member of the Judiciary Committee, inquiring concerning the necessity for an additional judge in the western district of Missouri, from which telegram I gathered the impression that the bill was still pending before that committee. Possibly, however, it has been already favorably reported and is now up for a final vote in the House. I am very interested in the measure.

I have no doubt at all that a proposal to increase Federal judges in the country as a whole is a most meritorious one, and that in many districts the necessity arises for additional judicial help. I am sure,

however, that you will welcome any accurate information concerning any one of the districts which are involved. Of these the western district of Missouri is one. Concerning the situation in this district, I can give you that accurate information. My conclusion, from facts within my knowledge, is that there is not the slightest necessity for additional judicial help in this district, and I am fairly confident that there is no necessity for any additional judge in Missouri.

The newspaper clipping which I inclose is to the effect that in your address you advised the House that there were pending in the western district of Missouri 1,199 cases at the end of the last fiscal year; that is, on July 1, 1929. That statement of the situation was of course literally correct. I assume it was based upon the report of the Attorney General, which shows on July 1, 1929, 1,199 cases pending in the western district of Missouri. That number included all cases—criminal cases, equity cases, and law cases.

The mere statement of the number of cases pending at a given time gives a most imperfect picture of the real situation. It is necessary to understand the nature of the cases before it is possible to have a clear perception of the truth. Let me, therefore, briefly describe the classes of cases making up the total of 1,199.

The Attorney General's report shows that these cases were made up as follows:

1. Internal-revenue cases	73
2. Regulation of commerce cases	14
3. Public health and safety cases	55
4. Liability and insurance cases	67
5. Not classified cases	51
6. Private litigation cases	631
7. Criminal cases	308

The first of these classes—class 1, internal-revenue cases—being 73 in number, were almost altogether cases involving taxes. They were important cases involving amounts ranging from $1,000 to more than $100,000. Almost all cases of this character must be tried. The time consumed in the actual trial of any one of them, however, never exceeds more than one day. Additional time must be given by the judge to the consideration of the record since each of these cases usually is taken under advisement.

The second class of cases—class 2, regulation of commerce cases—being 14 in number, was almost altogether made up of actions brought against railroads for penalties, usually in very small amounts. Almost all cases of this character are disposed of without a trial. If one is tried, it requires never more than an hour to hear the evidence and to dispose of the case.

The third class of cases—class 3, public health and safety cases—being 55 in number, was made up almost entirely of liquor injunction cases. The whole 55 could be tried by one judge in two days.

The fourth class of cases—class 4, liability and insurance cases—being 67 in number, was made up almost entirely of war-risk insurance cases. There are real cases, most of which must be tried. The trial of the average war-risk insurance case consumes a little more than one day.

Of the sixth class of cases, class 6, private litigation cases, being 631 in number, the largest single group, more than one-half of the whole, consisted of suits for damages for personal injuries. Two-thirds of all cases falling within this whole class (that is, private-litigation cases) are settled without trials. Those which are tried require on an average of about one day each of the time of one judge.

The last class of cases, class 7, criminal cases, being 308 in number, was made up almost entirely of cases brought under the prohibition law. Such cases are handled rapidly. Ninety per cent of them are disposed of by pleas of guilty. Where they must be tried, from three to four easily can be presented to a jury in one day. In this district it may be said conservatively that all of the criminal cases which are tried are disposed of in a total of less than 60 days of one judge's time in a year.

This analysis should clearly show that the total of 1,199 cases pending on July 1, 1929, by no means indicates an amount of work which two judges could not very easily and adequately care for. There is this further important observation to be made in connection with the total of 1,199 referred to in the Attorney General's report. That total does not mean that there were 1,199 cases at issue on July 1, 1929. It means merely that that many cases had been filed by that time and not disposed of. The total includes cases in which the return day had not yet been reached, a very considerable proportion of the whole, and includes also cases in which preliminary motions were pending, also a very considerable proportion of the whole.

But the question is not what was the business of the district on July 1, 1929, but what is now the business of the district.

Four-fifths of all of the work of the western district of Missouri is in the western division of the district, in which is the city of Kansas City. (Almost all Federal court work arises in large cities.) There are four other divisions in the district, but in each of those divisions the work is always up to date. Moreover, in each of the other divisions of the district the amount of work is so little that it is almost always possible to dispose of that pending in a term of not less than one week.

I have not now at hand the exact figures as to the cases pending in the divisions outside of the western division. I shall get them at once and give you that information later. I have this morning ascertained the exact figures as to the cases pending in the western division at Kansas City. As I have said, four-fifths of the work of the district is at Kansas City.

This morning, April 24, 1930, there were pending in this division, including cases not yet returnable and cases not at issue, the following:

Law cases before Reeves	215	
Law cases before Otis	110	
Total		325
Equity cases before Reeves	85	
Equity cases before Otis	46	
Total		131
Criminal cases before Reeves	126	
Criminal cases before Otis	79	
Total		205
Grand total		661

This grand total of 661 cases pending is made up of the various classes of cases in about the same proportions as the total of 1,199 pending in the whole district on July 1, 1929. Of the grand total of 661 cases, not more than 200 at the very outside are cases which will require real time on the part of the judges. A great majority of the grand total are cases each of which will be disposed of in three or four minutes. Such cases are criminal cases in which pleas of guilty will be entered, liquor injunction cases, scire facias cases, suits against railroads for penalties and private cases which are settled and in which only formal orders are made by the judges.

Not only is it easily possible for two judges to handle the work of this district as the foregoing summaries demonstrate, but the work of the district is handled easily by two judges, and that without delay in the disposition of either private or criminal business.

Every civil case which has been at issue in this district in the last two years has been set for trial at the return term, and every criminal case has been set for trial within three months after indictment has been returned. Not only have cases been set for trial in the return term, but the disposition of the cases has been insisted on by the judges. Agreements for continuance are not permitted. A case can be continued only upon written application and for good cause.

The judges in this district have not only had time to dispose of all of the business of the district, but each of them has had time to sit also on the United States Circuit Court of Appeals for this circuit and to aid judges in other districts when emergencies have arisen in those districts. For example, Judge Reeves has sat on the Circuit Court of Appeals on three separate occasions in the last year. I have sat on the Court of Appeals once during that same period.

It follows that there is not the slightest necessity for additional judicial help in the western district of Missouri. We have no more need of an additional judge here than a small boy has of three legs. If we had an additional judge, we have not a Kansas City court-room facilities for three judges. The fact is we have inadequate court-room facilities even for two judges.

Both Judge Reeves and myself are very much opposed to what we think would be the incurring of needless expense to the Government and to what, as we believe, would complicate the work of this district and greatly lessen the efficiency with which that work is now dispatched.

I assume that one of the reasons for the proposed increase in judges is that the situation growing out of the national prohibition act may be better taken care of. Whatever may be true elsewhere, that situation creates no necessity whatever in the western district of Missouri. In this district there has been a vigorous enforcement of the national prohibition act by the United States attorneys. The judges have cooperated with the United States attorneys by seeing to it that all such cases are speedily disposed of. No one has ever questioned the sufficiency of the penalties imposed in this district. On the other hand, there has been some complaint—I think not justified—that the penalties imposed by the judges have been somewhat heavier than they should have been.

I am sure that you will welcome this information. If anyone should know whether necessity for additional judicial help exists, it is the judge who is charged with responsibility for the work. Others who ought to know are the members of the bar and litigants having cases pending. I have never heard that a single member of the bar in this district or a single litigant has complained that there are not now enough judges to take care of the work of the district.

Very respectfully yours,

MERRILL E. OTIS,
District Judge.

ELIMINATION OF GRADE CROSSINGS IN THE DISTRICT OF COLUMBIA

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to recommit to the Committee on the District of Columbia the bill (S. 4223), to amend an act entitled "An act to provide for the elimination of grade crossings of steam railroads in the

District of Columbia, and for other purposes," approved March 3, 1927, for further consideration.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. McLEOD] asks unanimous consent to recommit to the Committee on the District of Columbia a bill which the Clerk will report.

The Clerk read the title of the bill (S. 4223).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan [Mr. McLEOD]?

There was no objection.

BOND FOR MOTOR VEHICLES IN THE DISTRICT OF COLUMBIA

Mr. McLEOD. Mr. Speaker, I call up the bill (H. R. 4015) to provide for the revocation and suspension of operators' and chauffeurs' licenses and registration certificates; to require proof of ability to respond in damages for injuries caused by the operation of motor vehicles; to prescribe the form of and conditions in insurance policies covering the liability of motor-vehicle operators; to subject such policies to the approval of the commissioner of insurance; to constitute the director of traffic the agent of nonresident owners and operators of motor vehicles operated in the District of Columbia for the purpose of service of process; to provide for the report of accidents; to authorize the director of traffic to make rules for the administration of this statute; and to prescribe penalties for the violation of the provisions of this act, and for other purposes.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. McLEOD], by direction of the Committee on the District of Columbia, calls up the bill H. R. 4015, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc., That this act shall in no respect be considered as a repeal of any of the provisions of the traffic acts for the District of Columbia, but shall be construed as supplemental thereto.

SEC. 2. The motor-vehicle operator's or chauffeur's license and all of the registration certificates of any person who shall by a final order or judgment have been convicted of or shall have forfeited any bond or collateral given for a violation of any of the following provisions of law, to wit—

Reckless driving, as provided in section 9 of the traffic acts of the District of Columbia;

Driving while under the influence of intoxicating liquor or narcotic drugs, as provided in section 10 of said traffic acts;

Leaving the scene of an automobile accident in which personal injury occurs without making identity known, as provided in section 10 of said traffic acts;

Such other violations as constitute cause for suspension or revocation of licenses in the District of Columbia; or

A conviction of an offense in any other State, which if committed in the District of Columbia would be a violation of any of the aforesaid provisions of the traffic acts of the District of Columbia;

shall be suspended by the director of traffic (hereinafter called the director) because of such conviction and shall remain so suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until he shall give proof of his ability to respond thereafter in damages resulting from the ownership or operation of a motor vehicle and arising by reason of personal injury to or death of any one person of at least $5,000, and, subject to the aforesaid limit for each person injured or killed, of at least $10,000 for such injury to or the death of two or more persons in any one accident, and for damage to property of at least $1,000 resulting from any one accident. Such proof in said amounts shall be furnished for each motor vehicle owned or registered by such person. If any such person shall fail to furnish said proof his operator's license and registration certificates shall remain suspended and shall not at any time thereafter be renewed, nor shall any other motor vehicle be thereafter registered in his name until such time as said proof be given. If such person shall not be a resident of the District of Columbia the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn until he shall have furnished such proof. A certified copy of the judgment order of conviction shall be prima facie evidence of such conviction.

SEC. 3. The operator's license and all of the registration certificates of any person, in the event of his failure to satisfy every judgment which shall have become final by expiration without appeal of the time within which appeal might have been perfected or by final affirmance on appeal, rendered against him by a court of competent jurisdiction in the District of Columbia or any State, or in a district court of the United States, for damages on account of personal injury, or damages to property in excess of $100, resulting from the ownership or operation of a motor vehicle by him, his agent, or any other person with the express or implied consent of the owner, shall be forthwith suspended by the director, upon receiving a certified copy of such final judgment or judgments from the court in which the same are rendered and shall remain so suspended and shall not be renewed, nor shall any other motor vehicle be thereafter registered in his name while any such judgment remains unstayed, unsatisfied, and subsisting, and until the said person gives proof of his ability to respond in damages, as required in section 4 of this act, for future accidents. It shall be the duty of the clerk of the court in which any such judgment is rendered to forward immediately to such director a certified copy of such judgment or a transcript thereof. In the event the defendant is a nonresident, it shall be the duty of the director to transmit to the commissioner of motor vehicles (or officer in charge of the issuance of operators' permits and registration certificates) of the State of which the defendant is a resident a certified copy of the said judgment. If after such proof has been given any other such judgment shall be recovered against such person for any accident occurring before such proof was furnished, such license and certificates shall again be and remain suspended while any such judgment remains unsatisfied and subsisting: *Provided, however*, That (1) when $5,000 has been credited upon any judgment or judgments rendered in excess of that amount for personal injury to or the death of one person as the result of any one accident; (2) when, subject to the limit of $5,000 for each person, the sum of $10,000 has been credited upon any judgments rendered in excess of that amount for personal injury to or the death of more than one person as the result of any one accident; or (3) when $1,000 has been credited upon any judgment or judgments rendered in excess of that amount for damage to property as the result of any one accident resulting from the ownership or operation of a motor vehicle by such judgment debtor, his agent, or any other person, with his express or implied consent, then and in such event such payment or payments shall be deemed a satisfaction of such judgment or judgments for the purposes of this section only.

Whenever any motor vehicle, after the passage of this act, shall be operated upon the streets and highways of the District of Columbia by any person other than the owner, with the consent of the owner, express or implied, the operator thereof shall, in case of accident, be deemed to be the agent of the owner of such motor vehicle.

If any such motor-vehicle owner or operator shall not be a resident of the District of Columbia, the privilege of operating any motor vehicle in the District of Columbia and the privilege of operation within the District of Columbia of any motor vehicle owned by him shall be withdrawn, while any final judgment procured against him for damages, including personal injury or death caused by the operation of any motor vehicle, in the District of Columbia or elsewhere, shall be unstayed, unsatisfied, and subsisting, and until he shall have given proof of his ability to respond in damages for future accidents as required in section 4 of this act.

The operation by a nonresident, or with his express or implied consent if an owner, of a motor vehicle on a street or highway of the District of Columbia shall be deemed equivalent to an appointment by such nonresident of the director of traffic or his successor in office to be his true and lawful attorney upon whom may be served all lawful processes in any action against him, growing out of any accident in which said nonresident may be involved while so operating or so permitting to be operated a motor vehicle on such a street or highway. Any such process shall specify the correct address of the defendant, and such service shall not be deemed perfected until the director shall have notified the defendant thereof, by registered mail, at such address; and such address shall be conclusively presumed to be correct if it be an address given by the defendant following any accident aforesaid in any proceedings before any court, magistrate, or justice of the peace, or to any police officer or deputy, or if it be the latest address appearing upon the records of the director of traffic or other officer charged with the administration of the motor-vehicle laws of the District of Columbia in which any motor vehicle is registered in the name of such defendant.

SEC. 4. Proof of ability to respond in damages when required by this act may be evidenced by the written certificate or certificates of any insurance carrier, duly authorized to do business within the District of Columbia, that it has issued to or for the benefit of the person named therein a motor-vehicle liability policy or policies as defined in this act which, at the date of said certificate or certificates, is in full force and effect, and designating therein by explicit description or by other appropriate reference all motor vehicles with respect to which coverage is granted by the policy certified to. The director shall not accept any certificate or certificates unless the same shall cover all motor vehicles registered in the name of the person furnishing such proof. Additional certificates as aforesaid shall be required as a condition precedent to the registration of any additional motor vehicle or motor vehicles in the name of such person required to furnish proof as aforesaid. Said certificate or certificates shall certify that the motor-vehicle liability policy or policies therein cited shall not be canceled except upon 10 days' prior written notice thereof to the director.

Such proof may be the bond of a surety company duly authorized to do business within the District of Columbia or a bond with at least two individual sureties, each owning unencumbered real state in the District of Columbia, approved by a judge of a court of record, which said bond shall be conditioned for the payment of the amounts specified in section 2 hereof and shall not be cancelable except after 10 days' written notice to the director. Such bond shall constitute a lien in

favor of the District of Columbia upon the real estate of any surety, which lien shall exist in favor of any holder of any final judgment on account of damage to property over $100 in amount or injury to any person or persons caused by the operation of such person's motor vehicle, upon the filing of notice to that effect by the director in the office of the clerk of the Supreme Court of the District of Columbia.

Such proof of ability to respond in damages may also be evidence presented to the director of a deposit by such person with the clerk of the Supreme Court of the District of Columbia of a sum of money or collateral, the amount of which money or collateral shall be $11,000. But the said clerk shall not accept a deposit of money or collateral where any judgment or judgments theretofore recovered against person as a result of damages arising from the operation of any motor vehicle shall not have been paid in full. The said clerk shall accept any such deposit and issue a receipt therefor.

The director shall be notified of the cancellation or expiration of any motor-vehicle liability policy of insurance certified under the provisions of this act at least 10 days before the effective date of such cancellation or expiration. In the absence of such notice of cancellation or expiration said policy of insurance shall remain in full force and effect. Additional evidence of ability to respond in damages shall be furnished the director at any time upon his demand.

SEC. 5. Such bond, money, or collateral shall be held by the said clerk to satisfy, in accordance with the provisions of this act, any execution issued against such person in any suit arising out of damage caused by the operation of any motor vehicle owned or operated by such person. Money or collateral so deposited shall not be subject to attachment or execution unless such attachment or execution shall arise out of a suit for damages, including injury to property, and personal injury or death, as a result of the operation of a motor vehicle. If a final judgment rendered against the principal on the surety or real-estate bond shall not be satisfied within 30 days after its rendition, the judgment creditor may, for his own use and benefit and at his sole expense, bring an action in the name of the District of Columbia against the company or persons executing such bond.

SEC. 6. The director shall, upon request, furnish any insurer, person, or surety a certified abstract of the operating record of any person subject to the provisions of this act, which abstract shall fully designate the motor vehicles, if any, registered in the name of such person, and if there shall be no record of any conviction of such person of a violation of any provision of any statute relating to the operation of a motor vehicle or of any injury or damage caused by such person as herein provided the director shall so certify. The director shall collect for each such certificate the sum of $1.

SEC. 7. The director shall furnish any person who may have been injured in person or property by any motor vehicle, upon written request, with all information of record in his office pertaining to the evidence of the ability of any operator or owner of any motor vehicle to respond in damages.

SEC. 8. Any operator or any owner whose operator's license or certificate of registration shall have been suspended as herein provided, or whose policy of insurance or surety bond shall have been canceled or terminated, or who shall neglect to furnish additional evidence of ability to respond in damages upon request of the director shall immediately return to the director his operator's license, certificate of registration, and the number plates issued thereunder. If any person shall fail to return to the director the operator's license, certificate of registration, and the number plates issued thereunder as provided herein, the director shall forthwith direct any member of the Metropolitan police of the District of Columbia to secure possession thereof and to return the same to the office of the director. Any person failing to return on demand such operator's license or such certificate and number plates shall be guilty of a misdemeanor and shall be fined not more than $100, and such penalty shall be in addition to any penalty imposed for any violation of the provisions of the traffic acts as given in section 2 of this act. The amount of such fine shall be paid in the manner provided for the payment of fines for violations of the traffic acts.

SEC. 9. The director may cancel such bond or return such evidence of insurance, or the said clerk may, with the consent of the director, return such money or collateral to the person furnishing the same, provided three years shall have elapsed since the filing of such evidence or the making of such deposit, during which period such person shall not have violated any provision of the traffic acts referred to in section 2, and provided no suit or judgment for damages on account of personal injury or damage to property in excess of $100 resulting from the operation of motor vehicle by him or his agent, shall then be outstanding against such person. The director may direct the return of any money or collateral to the person who furnished the same upon the acceptance and substitution of other evidence of his ability to respond in damages or, at any time after three years from the expiration of any registration or license issued to such person, provided no written notice shall have been filed with the director stating that such suit has been brought against such person by reason of the ownership, maintenance, or operation of a motor vehicle and upon the filing by such person with the director of an affidavit that he has abandoned his residence in the District of Columbia or that he has made a bona fide sale of any and all motor vehicles owned by him and does not intend to own or operate any motor vehicle in the District of Columbia for a period of one or more years.

SEC. 10. Any person who by any other law of the District of Columbia is required to make provision for the payment of loss occasioned by injury to or death of persons or damage to property shall, to the extent of such provision so made and not otherwise, be exempt from this act.

SEC. 11. Any person who shall forge or, without authority, sign any evidence of ability to respond in damages as required by the director in the administration of this act shall be fined not less than $100 nor more than $1,000 or imprisoned not to exceed one year, or both.

SEC. 12. "Motor-vehicle liability policy," as used in this act, shall be taken to mean a policy of liability insurance issued by an insurance carrier authorized to transact business in the District of Columbia to the person therein named as insured, which policy shall designate, by explicit description or by appropriate reference, all motor vehicles with respect to which coverage is intended to be granted by said policy, and shall insure the insured named therein and any other person using or responsible for the use of any such motor vehicle with the consent, express or implied, of such insured, against loss from the liability imposed upon such insured by law or upon such other person for injury to or death of any person, other than such person or persons as may be covered, as respects such injury or death by any workmen's compensation law, or damage to property, except property of others in charge of the insured or the insured's employees growing out of the maintenance, use, or operation of any such motor vehicle in the United States of America; or which policy shall, in the alternative, insure the person therein named as insured against loss from the liability imposed by law upon such insured for injury to or death of any person, other than such person or persons as may be covered as respects such injury or death by any workmen's compensation law, or damage to property, except property of others in charge of the insured or the insured's employees, growing out of the operation or use by such insured of any motor vehicle, except a motor vehicle registered in the name of such insured, and occurring while such insured is personally in control, as driver or occupant, of such motor vehicle within the United States of America, to the amount or limit of $5,000, exclusive of interest and costs, on account of injury to or death of any one person, and subject to the same limit as respects injury to or death of one person, of $10,000, exclusive of interest and costs, on account of any one accident resulting in injury to or death of more than one person; and of $1,000 for damage to property of others, as herein provided, resulting from any one accident; or a binder pending the issuance of any such policy, or an indorsement to an existing policy as hereinafter provided: *Provided*, That this section shall not be construed as preventing such insurance carrier from granting any lawful coverage in excess of or in addition to the coverage herein provided for, nor from embodying in such policy any agreements, provisions, or stipulations not contrary to the provisions of this act and not otherwise contrary to law.

No motor-vehicle liability policy shall be issued or delivered in the District of Columbia until a copy of the form of policy shall have been on file with the commissioner of insurance for at least 30 days, unless sooner approved in writing by the commissioner of insurance, nor if within said period of 30 days the commissioner of insurance shall have notified the carrier in writing that in his opinion, specifying the reasons therefor, the form of policy does not comply with the laws of the District of Columbia. The commissioner of insurance shall approve any form of policy which discloses the name, address, and business of the insured, the coverage afforded by such policy, the premium charged therefor, the policy period, the limit of liability, and the agreement that the insurance thereunder is provided in accordance with the coverage defined in this section and is subject to all the provisions of this act.

Such motor-vehicle liability policy shall be subject to the following provisions, which need not be contained therein:

(a) The liability of any company under a motor-vehicle liability policy shall become absolute whenever loss or damage covered by said policy occurs, and the satisfaction by the insured of a final judgment for such loss or damage shall not be a condition precedent to the right or duty of the carrier to make payment on account of such loss or damage. No such policy shall be canceled or annulled as respects any loss or damage by any agreement between the carrier and the insured after the said insured has become responsible for such loss or damage, and any such cancellation or annulment shall be void. Upon the recovery of a final judgment against any person for any such loss or damage, if the judgment debtor was at the accrual of the cause of action insured against liability therefor under a motor-vehicle liability policy, the judgment creditor shall be entitled to have the insurance money applied to the satisfaction of the judgment. But the policy may provide that the insured, or any other person covered by the policy, shall reimburse the company for payments made on account of any accident, claim, or suit involving a breach of the terms, provisions, or conditions of the policy; and further, if the policy shall provide for limits in excess of the limits designated in this section, the insurance carrier may plead against such judgment creditor, with respect to the amount of such excess limits of liability, any defenses which it may

be entitled to plead against the insured. Any such policy may further provide for the prorating of the insurance thereunder with other applicable valid and collectible insurance.

(b) The policy, the written application therefor (if any), and any rider or indorsement which shall not conflict with the provisions of this act shall constitute the entire contract between the parties.

(c) The insurance carrier shall, upon the request of the insured, deliver to the insured for filing, or at the request of the insured shall file direct, with the director of traffic an appropriate certificate as set forth in section 4 hereof.

(d) Any carrier authorized to issue motor-vehicle liability policies as provided for in this act may, pending the issue of such a policy, execute an agreement, to be known as a binder; or may, in lieu of such a policy, issue an indorsement to an existing policy, each of which shall be construed to provide indemnity or protection in like manner and to the same extent as such a policy. The provisions of this section shall apply to such binders and indorsements.

SEC. 13. The following words, as used in this act, shall have the following meanings:

(a) The singular shall include the plural. The masculine shall include the feminine and neuter, as requisite.

(b) "Person" shall include individuals, partnerships, corporations, receivers, referees, trustees, executors, and administrators; and shall also include the owner of any motor vehicle as requisite, but shall not include the District of Columbia.

(c) "Motor vehicle" shall include trailers, motor cycles, and tractors.

SEC. 14. The director shall make rules and regulations necessary for the administration of this act.

SEC. 15. Nothing herein shall be construed as preventing the plaintiff in any action at law from relying for security upon the other processes provided by law.

SEC. 16. On and after the effective date of this act the duties of the superintendent of licenses in the issuance of automobile-license plates and registration certificates shall be transferred to the director of traffic, who shall have hereafter in all respects all of the present duties of the said superintendent of licenses and all authority heretofore vested in him in respect thereto.

SEC. 17. If any part, subdivision, or section of this act shall be deemed unconstitutional, the validity of its remaining provisions shall not be affected thereby.

SEC. 18. This act shall go into effect 90 days after its passage and approval by the President of the United States.

With the following committee amendment:

Page 2, line 12, strike out lines 12 and 13.

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 2, line 15, strike out the word "said," and insert in lieu thereof the word "the."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Line 18, after the word "acts." strike out the semicolon and add the words "of the District of Columbia."

The committee amendment was agreed to.

The Clerk read as follows:

Committee amendment: Page 3, line 25, after the word "proof," strike out all of the remainder of line 25, and on page 4, all of line 1 down to and including the word "conviction," and insert the following: ": *Provided*, That in case of both residents and nonresidents, however, that if it shall be duly established to the satisfaction of the director, and the director shall so find (a) that any such person so convicted, or who shall have pled guilty or forfeited bond or collateral, was, upon the occasion of the violation upon which such conviction, plea, or forfeiture was based, a chauffeur or motor-vehicle operator, however designated, in the employ of the owner of such motor vehicle; or a member of the same family and household of the owner of such motor vehicle, and (b) that there was not at the time of such violation, or subsequent thereto, up to the date of such finding, any motor vehicle registered in the District of Columbia in the name of such person convicted, entering a plea of guilty, or forfeiting bond or collateral, as aforesaid, then in such event, if the person in whose name such motor vehicle is registered shall give proof of ability to respond in damages in accordance with the provisions of this act (and the director shall accept such proof from such person) such chauffeur or other person, as aforesaid, shall thereupon be relieved of the necessity of giving such proof in his own behalf. It shall be the duty of the clerk of the court, or of the court where it has no clerk, in which any such judgment or order is rendered or other action taken to forward immediately to the director a certified copy or transcript thereof. A certified copy or transcript of the judgment, order, or record of other action of the court shall be prima facie evidence of such conviction therein stated."

The SPEAKER pro tempore. The Chair begs to suggest that the word "that" at the end of line 2, page 4, should be omitted, the word "that" already appearing at the beginning of line 2.

Without objection, the word "that" at the end of line 2, page 4, will be omitted.

There was no objection.

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 5, line 5, after the word "judgment," insert "arising from an accident, or accidents, happening subsequently to the effective date of this act and."

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 6, line 10, after the word "furnished," insert "and after the effective date of this act."

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 7, line 23, strike out all of lines 23, 24, and 25 on page 7, and all of lines 1 to 19, inclusive, on page 8, and insert:

"In all cases of persons who have been tried and convicted or plead guilty of violations of traffic laws of the District of Columbia, the operation by a nonresident or with his express or implied consent, if an owner of a motor vehicle, on any public street or highway of the District of Columbia, shall be deemed equivalent to an appointment by such nonresident of the director or his successor in office to be his true and lawful attorney upon whom may be served all lawful processes in any action or proceedings against him growing out of any accident or collision in which said nonresident may be involved while so operating or so permitting to be operated a motor vehicle on any such street or highway, and said operation shall be a signification of his agreement that any such process against him, which is so served, shall be of the same legal force and validity as if served upon him personally. Service of such process shall be made by leaving a copy of the process with a fee of $2 in the hands of the director, or in his office, and such service shall be sufficient service upon the said nonresident: *Provided*, That notice of such service and a copy of the process are forthwith sent by registered mail by the plaintiff, or his attorney, to the defendant, and the defendant's return receipt appended to the writ and entered with the declaration. The court in which the action is pending may order such continuances as may be necessary to afford the defendant a reasonable opportunity to defend the action."

Mr. STAFFORD. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. STAFFORD. Will the gentleman first state from what State laws, if any, this legislation is copied?

Mr. STALKER. I will say to the gentleman that there are something like 14 States that have motor vehicle laws somewhat similar to this. We have tried to improve upon them and take the best out of those laws.

Mr. STAFFORD. I notice that in the second paragraph, on page 7, you recognize in this bill the principle of agent liability, a different rule being prescribed by this bill for the District than is in force in my own State, where that rule does not apply. May I inquire of the gentleman whether that is the existing law in the District? Whether a child, for instance, 16 years or over—or no matter what age—who is using his parent's vehicle for his own purposes, in going to school or going to work, will cause the liability, in case of injury, to be imposed upon the parent?

Mr. McLEOD. I will say to the gentleman that the provision to which the gentleman refers is to take care of individuals who hold policies that cover the entire membership of their families. In other words, if they are to be penalized, the particular individual would not be required to take out an additional policy.

Mr. STAFFORD. I direct the attention of the gentleman to the phraseology, because it goes much farther than that. It provides that in case a motor vehicle is owned by any person and is operated by another for his own individual purposes, the owner will be liable for the torts of the operator. Is that the existing law or do you intend to extend that provision to the District?

Mr. STALKER. In my State the owner of a car is liable for the torts of another.

Mr. STAFFORD. The States are divided as to whether they will hold the owner liable, or look only to the individual for

liability. In my State the law is well established, that a parent is not liable for the torts of his child, yet here you are making the owner liable for the torts of his children.

Mr. STALKER. That is correct, and that is the intent of the bill, that an owner is liable for his car.

Mr. McLEOD. Which is the law in many States.

Mr. STAFFORD. Is that the existing law in the District of Columbia?

Mr. McLEOD. It is not. Not to my knowledge.

Mr. GAMBRILL. That can hardly be the law, because the liability of the owner is based on the principle as to whether the driver of the car was acting as agent of the owner at the time of the accident. This is making law which is contrary to the general law.

Mr. STAFFORD. That is true; and I am taking the floor for the purpose of calling the attention of the House to that change in existing law.

Mr. STALKER. We considered that feature in the committee, and we believed the owner of the car should be liable for the car.

Mr. STAFFORD. That is very drastic. A parent provides the money for a car and he owns the car. He allows his son to use the car in going to business or to school, and, in doing so, he meets with a mishap. Under the law in many States, the parent is not liable for the resultant injury, but here you make a parent liable for the torts of his child.

Mr. CULKIN. In what States is not the parent liable?

Mr. STAFFORD. I know that in my own State, Wisconsin, the parent is not liable.

Mr. CULKIN. The parent gives his child a dangerous instrumentality, an automobile, and he consents that he use it. In the use of it he injures some innocent party, some pedestrian, and inflicts a serious physical injury upon him, probably a father or some wage earner. In all jurisdictions I know of under such circumstances it is the organic law of the State that the owner of the automobile is responsible for the negligence of the person to whom he has lent the car. The propriety of this principle was affirmed in the State of New York by Judge Cardoza.

Mr. STAFFORD. I do not dispute the fact that in certain States the parent is held for the torts of the child, but in Wisconsin I know positively that is not the law. Now, we are making the law for the District, and I am calling attention to the fact so that the House may vote intelligently upon the provision.

Mr. CULKIN. I thought the gentleman was urging a contrary course to the suggestion of the committee.

Mr. STAFFORD. I am only asking what the law is to-day in the District, and I am informed by the acting chairman of the committee that that is not the law and that you are changing it by this provision.

The SPEAKER pro tempore. The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 15, line 17, strike out the words "by an insurance carrier authorized to transact business in the District of Columbia to the person therein named as insured" and insert "to the person therein named as insured by an insurance carrier authorized to transact business in the District of Columbia, or in the case of a nonresident, by an insurance carrier authorized to transact business in any of the several States."

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 17, line 14, after the word "law," insert the following: "*Provided, however,* That separate concurrent policies covering, respectively, (a) personal injury or death, as aforesaid, and (b) property damage, as aforesaid, shall be considered a motor-vehicle liability policy within the meaning of this act."

The committee amendment was agreed to.

The SPEAKER pro tempore. The Clerk will report the next committee amendment.

The Clerk read as follows:

Page 18, line 10, strike out the words "and is subject to all the provisions of this act" and insert "as respects personal injury and death or property damage, or both, and is otherwise subject to all the provisions of the act."

The committee amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

On motion of Mr. McLEOD, a motion to reconsider the vote by which the bill was passed was laid on the table.

DANGEROUS WEAPONS IN THE DISTRICT OF COLUMBIA

Mr. McLEOD. Mr. Speaker, I call up the bill (H. R. 9641) to control the possession, sale, transfer, and use of dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes.

The SPEAKER pro tempore. On behalf of the committee, the gentleman from Michigan calls up the bill H. R. 9641, which the Clerk will report.

The Clerk read the bill, as follows:

Be it enacted, etc.—

DEFINITIONS

SECTION 1. "Dangerous weapon," as used in this act, means any of the following instruments of the kind commonly known as a pistol, blackjack, slung shot, billy, sand club, metal knuckle, fountain-pen pistol, gas pistol, and machine gun. It also shall include any bowie knife, dirk knife, and pocketknife the blade of which is of greater length than 3½ inches.

"Person," as used in this act, includes any individual, firm, association, or corporation.

"Sell" and "purchase," and the various derivatives of such words, as used in this act, shall be construed to include letting on hire, giving, lending, borrowing, and otherwise transferring.

"Crime of violence," as used in this act, means any of the following crimes or an attempt to commit any of the same, namely: Murder, manslaughter, rape, assault with intent to kill, assault with a dangerous weapon, assault with intent to rape, assault with intent to rob, assault with intent to maim, robbery, grand larceny, burglary, and housebreaking.

COMMITTING CRIME WHEN ARMED

SEC. 2. If any person shall commit a crime of violence when armed with or having readily available any dangerous weapon, he may, in addition to the punishment provided for the crime, be punished by imprisonment for a term of not more than five years; upon a second conviction for a crime of violence so committed he may, in addition to the punishment provided for the crime, be punished by imprisonment for a term of not more than 10 years; upon a third conviction for a crime of violence so committed he may, in addition to the punishment provided for the crime, be punished by imprisonment for a term of not more than 15 years; upon a fourth or subsequent conviction for a crime of violence so committed he may, in addition to the punishment provided for the crime, be punished by imprisonment for an additional period of not more than 30 years.

BEING ARMED PRIMA FACIE EVIDENCE OF INTENT

SEC. 3. In the trial of a person for committing a crime of violence the fact that he was armed with, or had readily available, a dangerous weapon, and had no license to carry the same, shall be prima facie evidence of his intention to commit such crime of violence.

PERSONS FORBIDDEN TO POSSESS CERTAIN DANGEROUS WEAPONS

SEC. 4. No person who has been convicted in the District of Columbia or elsewhere of a crime of violence shall own or have in his possession or under his control a dangerous weapon.

CARRYING DANGEROUS WEAPONS

SEC. 5. No person shall carry a dangerous weapon in any vehicle or concealed on or about his person, except while in his dwelling house or place of business or on other land possessed by him, without a license theretofore issued as hereinafter provided.

EXCEPTIONS

SEC. 6. The provisions of the preceding section shall not apply to marshals, sheriffs, prison or jail wardens or their deputies, policemen, or other duly appointed law enforcement officers, or to members of the Army, Navy, or Marine Corps of the United States, or of the National Guard or Organized Reserves when on duty, or to the regularly enrolled members of any organization duly authorized to purchase or receive such weapons from the United States, provided such members are at or are going to or from their places of assembly or target practice, or to officers or employees of the United States duly authorized to carry a concealed dangerous weapon, or to any person engaged in the business of manufacturing, repairing, or dealing in dangerous weapons, or the agent or representative of any such person having in his possession, using, or carrying a dangerous weapon in the usual or ordinary course of such business, or to any person while carrying a dangerous weapon unloaded and in a secure wrapper from the place of purchase to his home or place of business or to a place of repair or back to his home or place of business or in moving goods from one place of abode or business to another.

ISSUE OF LICENSE TO CARRY

SEC. 7. The superintendent of police of the District of Columbia upon the application of any person having a bona fide residence or place of business within the District of Columbia or of any person

having a bona fide residence or place of business within the United States and a license to carry a dangerous weapon concealed upon his person issued by the lawful authorities of any State or subdivision of the United States, or if it appears that the applicant has good reason to fear injury to his person or property or has any other proper reason for carrying a dangerous weapon and that he is a suitable person to be so licensed may issue a license to such person to carry a dangerous weapon within the District of Columbia for not more than one year from date of issue. The license shall be in duplicate, in form to be prescribed by the Commissioners of the District of Columbia, and shall bear the name, address, description, photograph, and signature of the licensee and the reason given for desiring a license. The original thereof shall be delivered to the licensee, and the duplicate shall be retained by the superintendent of police of the District of Columbia and preserved in his office for ten years: *Provided*, That it shall be unlawful for any person to procure a license to carry a dangerous weapon unless he shall have previously entered into a recognizance in the sum of $500, with good and sufficient surety, to be approved by the superintendent of police, conditioned upon the lawful use of such dangerous weapon, which recognizance shall be payable to the superintendent of police, and may be sued on by any person who may be injured or damaged by any unlawful use of such dangerous weapon, such person to sue in the name of the superintendent of police, suing in such person's use: *Provided, however*, That nothing herein contained shall be construed to be a measure of damage that may be recovered through any proceeding other than on the bond hereinbefore referred to.

SELLING TO MINORS AND OTHERS

SEC. 8. No person shall sell any dangerous weapon to a person who he has reasonable cause to believe is not of sound mind, or is a drug addict, or is a person who has been convicted in the District of Columbia or elsewhere of a crime of violence, or is under the age of 21 years.

TRANSFERS REGULATED

SEC. 9. At the time of applying for the purchase of a dangerous weapon the purchaser shall sign, in triplicate, and deliver to the seller, a statement upon a form to be furnished to the superintendent of police, containing his full name, age, finger prints, address, occupation, color and race, place of birth, date and hour of application, the distinguishing identification features of the dangerous weapon to be purchased, and a statement that he has never been convicted in the District of Columbia, or elsewhere, of a crime of violence. The seller shall within six hours after such application sign and attach his address, and forward by registered mail two copies of such statement to the superintendent of police of the District of Columbia and shall retain the other copy for 10 years. That within 48 hours after the receipt by the superintendent of police of the statements herein contained he shall return one of the statements to the seller with the notation that the sale is approved or disapproved. That upon the receipt of the approval of the superintendent of police as herein provided, the seller may deliver the dangerous weapon to the purchaser, and when delivered it shall be securely wrapped, and if it be a firearm of any description it shall be unloaded: *Provided, however*, That nothing herein contained shall apply to sales to licensed dealers.

DEALERS' LICENSES, BY WHOM GRANTED, AND CONDITIONS THEREOF

SEC. 11. The Commissioners of the District of Columbia may grant licenses and may prescribe the form thereof, effective for not more than one year from date of issue, permitting the licensee to sell dangerous weapons within the District of Columbia subject to the following conditions in addition to those specified in section 9 hereof, for breach of any of which the license shall be subject to forfeiture and the licensee subject to punishment as provided in this act:

1. The business shall be carried on only in the building designated in the license, except transactions with the United States Government, or any branch thereof, the District of Columbia, and any other governmental organization whose purpose is for the preservation and the enforcement of law.

2. The license, or a copy thereof, certified by the issuing authority, shall be displayed on the premises where it can easily be seen.

3. No dangerous weapon shall be sold (a) if the seller has reasonable cause to believe that the purchaser is not of sound mind or is a drug addict or has been convicted in the District of Columbia or elsewhere of a crime of violence or is under the age of 21 years, or (b) unless the purchaser is personally known to the seller or shall present clear evidence of his identity.

4. A true record in duplicate shall be made of every dangerous weapon sold, said record to be made in a book kept for the purpose, the form of which may be prescribed by the Commissioners of the District of Columbia, and shall be personally signed by the purchaser and by the person effecting the sale, each in the presence of the other, and shall contain the date of sale, the distinguishing identification feature of the dangerous weapon, the name, address, occupation, race, age, height, place of birth, and residence of the purchaser, and a statement signed by the purchaser that he has never been convicted in the District of Columbia or elsewhere of a crime of violence. One copy of said record shall, within seven days, be forwarded by mail to the superintendent of police of the District of Columbia and the other copy retained by the seller for 10 years.

5. No dangerous weapon or imitation thereof, or placard advertising the sale thereof, shall be displayed in any part of said premises where it can readily be seen from the outside; except one sign, the dimensions of which shall not be greater than 3 feet by 1 foot, and bearing the inscription "dealer in firearms" or any other suitable inscription identifying the business with the sale of dangerous weapons, which said sign may be used for display purposes.

FALSE INFORMATION FORBIDDEN

SEC. 12. No person shall, in purchasing a dangerous weapon or in applying for a license to carry the same, give false information or offer false evidence of his identity.

ALTERATION OF IDENTIFYING MARKS PROHIBITED

SEC. 13. No person shall change, alter, remove, or obliterate the name of the maker, model, manufacturer's number, or other mark of identification on any dangerous weapon. Possession of any dangerous weapon upon which any such mark shall have been changed, altered, removed, or obliterated shall be prima facie evidence that the possessor has changed, altered, removed, or obliterated the same: *Provided, however*, That nothing herein contained shall apply to any officer or agent of any of the departments of the United States or District government engaged in experimental work.

EXISTING LICENSES REVOKED

SEC. 14. All licenses heretofore issued within the District of Columbia permitting the carrying of dangerous weapons shall expire 30 days after the passage of this act.

EXCEPTIONS

SEC. 15. This act shall not apply to toy or antique pistols unsuitable for use as firearms.

PENALTIES

SEC. 16. Any violation of any provision of this act for which no penalty is specifically provided shall be punished by a fine of not more than $1,000 or imprisonment for not more than one year, or both.

CONSTITUTIONALITY

SEC. 17. If any part of this act is for any reason declared unconstitutional or void, such invalidity shall not affect the validity of the remaining portions of this act.

CERTAIN ACTS REPEALED

SEC. 18. The following sections of the Code of Law for the District of Columbia, 1924, namely, sections 855 and 857, and all other acts or parts of acts inconsistent herewith, are hereby repealed.

Mr. McLEOD. Mr. Speaker, I offer an amendment.

The SPEAKER pro tempore. The gentleman from Michigan offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment by Mr. McLEOD: Page 4, line 10, after the word "weapon," insert "or to agents, messengers, or guards of railroad companies and express companies while engaged in the usual or ordinary course of business of such companies."

Mr. STAFFORD. Mr. Speaker, will the gentleman yield?

Mr. McLEOD. Yes.

Mr. STAFFORD. I do not wish to direct my inquiry to the pending amendment, but I do wish to make some inquiries as to the bill in general. Will the gentleman kindly inform the House whether this bill was patterned after any legislation of other States?

Mr. McLEOD. No; this is a compilation of several of the laws of many States.

Mr. STAFFORD. Was the bill submitted by the Commissioners of the District of Columbia as their best judgment for legislation in the District?

Mr. McLEOD. I can not say whether it was a commissioners' bill or not. The gentleman from Maryland [Mr. ZIHLMAN] introduced the bill. The corporation counsel and the commissioners have recommended it.

Mr. STAFFORD. I notice in the very first section of the bill you include slungshot as a dangerous weapon. Most of us as boys at a certain age, I assume, if we were human at all, carried slungshots. Under the provisions of this bill you make it presumptive evidence that the carrying of a dangerous weapon, in this case let us assume a slungshot, is prima facie evidence of being guilty of a crime of violence.

Mr. McLEOD. Does the gentleman draw a distinction between what is called a slingshot and a slungshot? There is a distinction. A slingshot is possibly what the gentleman has in mind. A slungshot is a dangerous weapon.

Mr. STAFFORD. For my information and for the information of the House generally, and because I am not versed in the technology of the instruments used in crime, what is the difference between a slungshot and a slingshot?

Mr. HUDSON. I think a slungshot, technically, is a sort of weapon that slips up the sleeve and is more in the nature of a blackjack. The slingshot that the gentleman speaks of is different from a slungshot. It is a boy's toy that he hurls pebbles with, but a slungshot is a very dangerous weapon and is used like a blackjack.

Mr. STAFFORD. Something on the order of a discus that is thrown?

Mr. HUDSON. No; it does not leave the wrist. It is an instrument that is carried attached to the wrist.

Mr. FOSS. A slungshot is a steel ball on a piece of leather, with the leather attached to the wrist, and is about half as big as one's fist.

Mr. ARENTZ. Webster's Dictionary defines slungshot as follows:

A small mass of metal or stone fixed on a flexible handle, strap, or the like, and used as a weapon.

Mr. STAFFORD. I will at once confess that I confused the expression slungshot with slingshot, and I thank my colleagues, who are better acquainted with criminal weapons than I am, for calling my attention to the difference.

Mr. FOSS. Did the gentleman bring this up to establish his innocence?

Mr. STAFFORD. I will confess I am innocent in this particular case, but I do not deny on the floor or otherwhere that I have my foibles and that I am human.

I now wish to direct attention to the Baumes provision, virtually, in making the penalty very severe for repetition of carrying these dangerous weapons, leaving it to the judge to punish on the first offense by imprisonment not exceeding 5 years; for a second offense, 10 years; for a third offense, 15 years; and for a fourth offense, 30 years. That seems to be a pretty serious penalty.

Mr. McLEOD. It should be.

Mr. STAFFORD. In view of what Mr. George W. Wickersham stated recently in an address to some body of law teachers, that he does not believe that the imposition of heavy penalties is any deterrent to the commission of crime, I question the propriety of these extreme penalties. Thirty years for carrying around a concealed weapon by a civilian, when not licensed, but who might have ground for doing so, is going some in these days when we are seeking to levy excessive penalties for all sorts of misdemeanors.

Mr. TARVER. But the penalties provided are not provided for carrying a deadly weapon, but for the commission of crimes of violence while armed, and for subsequent offenses there are increased penalties which may be imposed in the discretion of the judge, but not necessarily, and the minimum might be imposed of one day instead of the maximum.

Mr. STAFFORD. While it is not the maximum, it is a congressional direction virtually as to the maximum to be imposed.

Mr. TARVER. What I call the attention of the gentleman to is the fact that these additional penalties are not imposed for the carrying of concealed weapons, but for the commission of crimes of violence while carrying such a weapon.

Mr. STAFFORD. I caught the gentleman's explanation when he first directed my attention to it. May I inquire why the committee did not repeal section 856 of the act?

Mr. McLEOD. The gentleman refers to the report more particularly than to the bill, does he not?

Mr. STAFFORD. Sections 855 and 857 are repealed. When I examined the bill some time ago I was at a loss to understand why they did not repeal also section 856.

Mr. McLEOD. The gentleman refers to the report?

Mr. STAFFORD. Yes.

Mr. McLEOD. That is a misprint.

Mr. HALL of Indiana. On page 10 of the bill, in section 18, sections 855 and 857 of the Code of Law of the District of Columbia, 1924, are specifically repealed. The report calls for the repeal of section 856. That must be a misprint in the printing of the report.

Mr. McLEOD. Yes; it is a misprint in the first printing of the report.

Mr. STAFFORD. What is the need at all for a display sign on the stores of the dealers in firearms?

Mr. McLEOD. In order to tell the public, to advertise to the world, who is permitted to sell firearms under the drastic regulation such as this is.

Mr. STAFFORD. I thought we were trying to suppress the sale of firearms.

Mr. McLEOD. This would not suppress it to those entitled to own such firearms.

Mr. COLE. Mr. Speaker, will the gentleman yield?

Mr. McLEOD. Yes.

Mr. COLE. I notice the bill specifies as a dangerous weapon a pocket knife the blade of which is of greater length than 3½ inches.

Mr. McLEOD. Many of the States have that description in their statute.

Mr. COLE. Would that apply to a hunting knife or a fishing knife?

Mr. McLEOD. To any knife with a blade more than 3½ inches long.

Mr. COLE. And I suppose there will be a large force of additional employees going around measuring the length of the blades of pocket knives in the pockets of the inhabitants of the District.

Mr. McLEOD. All I can say is that that is the law in many of the States.

Mr. FOSS. Mr. Speaker, will the gentleman yield?

Mr. McLEOD. Yes.

Mr. FOSS. Section 1 of the bill contains a description of dangerous weapons. Does the gentleman not think it would be well to include motor vehicles? One of the most dangerous weapons we have to-day is the motor vehicle.

Mr. STAFFORD. Airplanes are also dangerous.

Mr. FOSS. According to the decision of the court in Massachusetts a man has just been convicted for intentionally running over his mother-in-law with an automobile, and was given three years for assault with a dangerous weapon. [Laughter.]

Mr. STAFFORD. I would not have been surprised if that had occurred in New Jersey—I have heard of Jersey justice, but I have never heard of such a penalty being inflicted in Massachusetts.

Mr. FOSS. I would like to ask the gentleman if all existing licenses are revoked.

Mr. McLEOD. They would be revoked by this bill if found guilty.

Mr. FOSS. All existing licenses under section 14?

Mr. McLEOD. Yes; so they will have a record of all weapons.

Mr. FOSS. They have a record now.

Mr. STALKER. This is so that they will all be uniform.

The amendment was agreed to.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed.

A motion to reconsider by Mr. McLEOD was laid on the table.

THE NEW MOTION PICTURE BILL, H. R. 9986

Mr. HUDSON. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on House bill 9986, and include therein an editorial from the Christian Sentinel.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

Mr. COLE. Reserving the right to object, what is the subject?

Mr. HUDSON. I am surprised that the gentleman does not know that House bill 9986 is one I introduced, the so-called movie bill.

The SPEAKER pro tempore. Is there objection?

There was no objection.

Mr. HUDSON. Mr. Speaker, I rise to address the membership of the House in response to numerous inquiries of my colleagues concerning the details of H. R. 9986, introduced by myself on February 17, 1930, and commonly known as the motion picture bill.

Mr. Speaker, this bill provides for a Federal motion-picture commission of nine members, appointed by the President without party designation or party responsibility. The bill declares the motion-picture industry to be a public utility and seeks to deliver the exhibitors of motion pictures from the arbitrary power and unfair trade practices of the motion-picture monopoly. It would destroy the system of so-called block booking and blind booking, two practices insisted on by the monopoly, which holds the independent exhibitor helpless in his choice of films.

The bill provides Government regulation, supervision, and inspection just as it does with other public utilities, such as banks, railroads, electric-power companies, radio, and the manufacture and sale of foods.

Instead of endeavoring to eliminate the objectionable parts of films by the so-called censorship board in cities and States, it provides for the supervision over the making of films at the source and during the process of production. It forbids any motion picture entering interstate or foreign commerce until it has been found to conform to the standards of production fixed by the commission and licensed by them. Special provision is made for scientific, educational, industrial, charitable, religious, and news films.

The moral standards considered in the bill, and which may be altered by the will of Congress, conform to the code or ethical standard produced by Mr. Will Hays on April 1, 1930.

In this connection, Mr. Speaker, I wish to read the editorial as published in the Christian Century, edited by Charles Clayton Morrison, under date of May 21, 1930, entitled "The Movies Before Congress."

THE MOVIES BEFORE CONGRESS

Here, in a nutshell, is the present situation in the movies. Attendance each week, 250,000,000; about 100,000,000 in this country, the rest abroad. Percentage of world market controlled by American movies, about 85 per cent. Children of school age exposed, practically every school child in America. Average exposure, two hours a week. Effect upon the children, according to testimony of teachers and psychologists, false and distorted views of life, mental development retarded, nervousness and excitability increased, sensitiveness to crime diminished, standards of modesty and social conduct demoralized. Effect of American movies upon international relations, lowered respect for America because of the pictures of American life, and resentment toward America because of misrepresentation of the life of other countries. Federal supervision of pictures exported, none. Feature pictures produced in America each year, about 800. Number of scenes eliminated by Chicago Board of Censors from the pictures viewed by them in 1929, nearly 7,000. Film territory in the United States under censorship control, about 20 per cent. General trend of pictures, according to the almost unanimous testimony of Christian Century correspondents, downward. Responsibility for this situation, upon four great corporations of producers who have established a virtual monopoly of the screen through block booking, blind booking, buying up strings of leading theaters, and employing a public relations office under Will Hays to stave off censorship, give the news the "right slant," and to keep the public mollified. Power of Mr. Hays to veto unfit films, none.

These facts were all presented with supporting data in the series of articles by Dr. Fred Eastman, published in the Christian Century during January and February and later reprinted in folder form to the extent of 70,000 copies to meet the insistent demands of our readers. Since then they have been discussed in every part of the country by parents, educators, civic societies, and churches.

In reply to this agitation, which was augmented by articles in the Churchman and other journals, the movie magnates issued through Mr. Hays's office a new "code of morals." The patent hypocrisy of that code was exposed in our issue of April 9, where similar codes issued by the same men in other days when they were under attack were cited. Attention was also directed to the ridiculous enforcement clause which declares that this latest code will "be enforced through the intelligent practicability derived from consultation."

Now the scene of battle shifts to Washington. To-day the movie magnates are marshaling their forces to defeat two bills which have been presented in Congress. These bills have been drafted in response to the demand of an outraged public that this industry be brought under some form of social control. Thus far it has shown a greater disposition to make money out of muck than to help us make good citizens out of our children. It proposes to fight off any interference with this practice. It is prepared to fight these bills to a finish, and its financial resources to carry on such a fight are practically unlimited. Over against this $2,000,000,000 industry will be arrayed such parents and teachers and good citizens generally as will take the time and trouble to write to their Congressmen to urge their support of the reform measures. To aid these citizens we give in the paragraphs below a brief analysis of the bills.

The first is the Brookhart bill (S. 1003), introduced May 7, 1929, by Senator BROOKHART, of Iowa, and still under consideration by the Senate Committee on Interstate Commerce. This bill is admirably short and clear. It seeks to make illegal block booking and blind booking and the control of local theaters by producers and distributors. It further seeks to release the local exhibitors from the domination of the producers in the matter of arbitration of disputes arising out of the lease of films. The measure thus aims at the monopoly which is largely responsible for many of the evils which now curse the entertainment screen.

The second is the Hudson bill (H. R. 9986), introduced into the House by GRANT M. HUDSON, of Michigan, on February 17, 1930, and referred to the House Committee on Interstate and Foreign Commerce. It is a much longer bill. It seeks to do all that the Brookhart bill attempts, but goes further in the following respects: It provides for the creation of a Federal motion-picture commission made up of nine commissioners, whose duty shall be "to protect the motion-picture industry from unfair trade practices and monopoly, to provide for the just settlement of trade complaints, to supervise the production of silent and talking motion pictures at the source, and to provide for proper distribution and exhibition thereof." It proposes to cooperate with producers at the source of production before the expense of filming is incurred, to see that scenarios of the pictures to be filmed conform to the ethical standards required by the commission. The commission will have full power to reject the scenario entirely or to suggest modifications before it is made into a picture. The bill proposes as the ethical standards to be followed those already announced by Mr. Hays, with the difference, of course, that in case the bill becomes law these standards will go into actual effect.

The Hudson bill provides further that every motion picture shall be required to have a license from the Federal commission certifying that it has been supervised at the source of production and found to conform to the standards of production fixed by the bill. The commission further would have power to supervise posters and advertising. In order to bring the pictures under this social control, the bill provides that the motion-picture industry be declared a public utility and subject to the same regulations that govern other public utilities. Finally, the bill contains adequate provisions for penalties and forfeitures for a producer who violates its regulations. It also provides that the expense of the commission shall be met by a small license fee to be charged against the industry.

Neither of these bills calls for censorship, although the picture industry has already begun to campaign against them by declaring them censorship bills. Both bills provide simply for social control. The Hudson bill goes much further in this direction than the Brookhart bill. No one knows which of the two will be reported out of committee first, but there seems a chance of the Hudson bill having a public hearing soon.

Can we legislate morality? Of course not. Neither can we legislate pure food. Yet we have pure food laws which bring under social control the type of food purveyor who sells adulterated food because he finds more profit in it than in the pure kind. Precisely the same argument holds for the Brookhart and Hudson bills. They bring under Federal supervision the producers who now foist upon our children and upon our foreign neighbors practically anything that they believe can be turned into money. Those producers have so tied up the local exhibitor in their money-grabbing system that he has no choice but to take the pictures they care to send him, good, bad, or indifferent. The producers will fight at Washington to continue this system. The socially minded elements of the country will fight to break it.

We urge every reader to write to his Senator asking his support of the Brookhart bill, S. 1003, and to his Representative urging his support of the Hudson bill, H. R. 9986. We also urge every church, woman's club, parent-teacher association, and civic organization to support actively this proposed legislation. This is obviously the next step in dealing with a social problem that is now almost out of control.

STATEMENT WITH REFERENCE TO THE ATTEMPT OF THE FEDERAL COUNCIL OF THE CHURCHES OF CHRIST IN AMERICA TO INTERFERE IN AFFAIRS OF THE STATE, AND THE CONTRIBUTIONS MADE TO THE FEDERAL COUNCIL BY JOHN D. ROCKEFELLER, JR.

Mr. TINKHAM. Mr. Speaker, I ask unanimous consent to print in the RECORD a statement I recently issued to the press.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

Mr. TINKHAM. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following statement which I recently issued to the press in connection with my recent presentation to the Senate lobby investigating committee of evidence of the attempt of the Federal Council of the Churches of Christ in America to influence the Congress of the United States on both domestic and foreign policies, mostly by propaganda.

The Federal Council of the Churches of Christ in America in the May, 1930, edition of its official publication, The Federal Council Bulletin, in reply to a charge recently made before a committee of Congress that it has participated in political action by extensive propaganda and has violated the principle of the separation of church and state, answer that its policy is a "program of research and education directed to informing its own church constituency and to making the consciences of the people more sensitive to the ethical aspects of great public issues."

This statement is in direct contradiction to the evidence laid before the committee. There was submitted to the committee a publication of the council known as the Handbook of the Churches. On page 217 of this handbook under the title "Permanent Committee" there appears a heading "Washington committee," which the handbook goes on to explain.

"Serves as a center for the cooperative work of the churches in their relation to agencies of the Government. It is a clearing house of information concerning governmental activities which affect moral and social conditions and also is a medium for interpreting to the Government, from time to time, the point of view of the churches."

This committee by its own declaration is a revolutionary committee for participation by the organized church in temporal, secular, and political affairs, contrary to the American tradition of 150 years.

The constitution of the Federal council declares that the council is organized "to secure a larger combined influence for the Churches of Christ in all matters affecting the moral and social condition of the people so as to promote the application of the law of Christ in every relation of human life."

This provision of the constitution of the Federal council as at present interpreted by the Federal council is a violation of the principle of the separation of church and state.

In all three of these pronouncements, in the Federal Council Bulletin, in the Handbook of the Churches, and in the constitution of the Federal council, there is a clear challenge to the American people, and that challenge is whether in this age and generation this organization, through its council, shall be permitted to assume unlimited temporal power and to participate in affairs of state. This council arrogates to itself the right to interfere in every relation of human life, as declared in its constitution, and if this does not mean the extension of its activities into the realm of the state it is meaningless. Because an issue may be called moral does not give this council leave to inject itself into the political arena. Any political issue can be held arbitrarily to be a moral issue and many political issues have been so interpreted by the council to suit its own purposes.

It has been publicly stated that the constituent churches and their members have never been consulted in relation to the political actions undertaken by the committees of the council. Yet the council by implication conveys the idea that when it speaks on political issues, it speaks for the aggregate of the membership of its constituent churches which run into many millions. This on its face is deception.

It has been publicly stated also that the constituent churches, and their members have never instructed nor authorized the executive committee or any other committee to have the council act as a political propaganda machine or to assume political leadership.

Having set up the revolutionary doctrine that state and church shall no longer be separate, the one not to interfere with the other, this organization is lending what influence it possesses to have the United States join the League of Nations, a political and military alliance, and as a first step in this direction it is actively participating in the present movement to have the United States join the Permanent Court of International Justice of the League of Nations, the political subsidiary of the league.

It is well known that the international oil interests, international bankers, and large international business interests are profoundly interested in having the United States change its foreign policy for their own purposes.

Under these circumstances the following facts should be of much interest: That this council receives only about one-fourth of its income from its church constituency, the remaining being received from "other sources," on its face a highly dangerous financial policy for the organized church participating in politics to pursue. Recent revelations show that John D. Rockefeller, jr., contributed $35,650 in 1926; $32,717 in 1927; $36,250 in 1928; and $32,500 in 1929; about 10 per cent of the total annual income from all sources and about 35 to 45 per cent of the amounts received from contributors of $500 and over during those four years.

Regular annual contributions are received also from persons interested in international business organizations and directors of national banking interests with large foreign connections, as well as from international bankers themselves.

The foreign policy committee of this council during the last four years until recently had as its chairman Hon. George W. Wickersham, who has been active in inducing the organized church to participate in politics, and whose firm is representing a "large financial and banking institution in Japan," and "international or foreign interests, corporations, or associations, including international bankers," as recently publicly admitted by Mr. Wickersham.

Against the aggression of the church the state can protect itself through legislation, and, if need be, it can control the church; but the United States Government should never be compelled to take such action. The members of its church constituency themselves should reform the action of this council from within by insisting upon the preservation of the great American principle—the separation of the church and state, the one not to interfere with the other—which principle must be preserved if the higher interests of religion and the state are to be protected and advanced.

EXEMPTING FROM TAXATION CERTAIN PROPERTY OF THE NATIONAL SOCIETY, SONS OF THE AMERICAN REVOLUTION IN THE DISTRICT OF COLUMBIA

Mr. McLEOD. Mr. Speaker, I ask unanimous consent to take up the bill H. R. 3048.

The SPEAKER pro tempore. The gentleman from Michigan calls up the bill H. R. 3048, which the Clerk will report.

The Clerk read the bill, as follows:

H. R. 3048

To exempt from taxation certain property of the National Society, Sons of the American Revolution in Washington, D. C.

Be it enacted, etc., That the property situated in square 196 in the city of Washington described as lot 10, together with all the furniture and furnishings now in and upon premises 1227 Sixteenth Street NW., occupied by the National Society of the Sons of the American Revolution, be, and the same is hereby, exempt from and after August 26, 1927, from all taxation so long as the same is so occupied and used, subject to the provisions of section 8 of the act approved March 3, 1877, providing for exemptions of church and school property, and acts amendatory thereof.

Mr. STAFFORD. Reserving the right to object, I note that the bill bears Calendar No. 672 on the Private Calendar. On Saturday last we got as far as Calendar No. 500. I do not question but that this bill will be reached in the regular order on call of that calendar.

The SPEAKER pro tempore (Mr. CHINDBLOM). The Chair will state that while the gentleman from Michigan asked unanimous consent to take up the bill, the Chair did not put the request in that manner. The gentleman is privileged on District day to call up a bill on the Private Calendar.

Mr. STAFFORD. I hope that the gentleman will not press it for the reason that it has not been the practice for a committee on the day it has to bring up legislation to bring up private bills. I would like to have the matter go over.

Mr. McLEOD. I called up the bill by agreement with several Members of the House.

The SPEAKER pro tempore. The Chair will call attention to this precedent in volume 4 of Hinds' Precedents, section 3310:

"On District of Columbia day a motion is in order to go into Committee of the Whole House to consider a private bill reported by the Committee on the District of Columbia." On January 28, 1907, a District of Columbia day, Mr. Joseph W. Babcock, of Wisconsin, asked unanimous consent to discharge the Committee of the Whole House from the consideration of the bill, S. 7208, for the relief of the Allis-Chalmers Co., of Milwaukee, Wis.

Mr. Martin B. Madden, of Illinois, having reserved the right to object, the Speaker said:

"The Chair will state that on Mondays, notwithstanding this bill (S. 7028) is on the private calendar, under the rule and practice, as the Chair is advised, the gentleman may call up the bill for consideration. He might move to go into Committee of the Whole House for the purpose of considering the bill; but now the gentleman asks unanimous consent that the Committee of the Whole House may be discharged from the consideration of the bill, and that the same be considered in the House as in Committee of the Whole."

Mr. STAFFORD. I remember the incident. It was in my first term. I remember it distinctly.

The SPEAKER pro tempore. That was in the second session of the Fifty-ninth Congress.

Mr. STAFFORD. I wish the gentleman from Michigan would withdraw the bill and not precipitate a controversy.

Mr. McLEOD. There are a number of Members here who wanted it called up.

Mr. TARVER. Mr. Speaker, will the gentleman yield?

Mr. McLEOD. I will.

Mr. TARVER. I did not understand whether or not the gentleman said he had an agreement that it should not be called up except by unanimous consent.

Mr. McLEOD. I did not have an agreement.

Mr. STAFFORD. I hope the gentleman will withdraw the bill. He may bring it up later in the afternoon.

Mr. McLEOD. It is a short bill, and it will take only about 10 minutes.

Mr. STAFFORD. I am opposed on principle to the exemption from taxation of these societies and similar societies.

Mr. McLEOD. This is similar to the Daughters of the Revolution.

Mr. TARVER. Is it not a fact that the sole reason given for favorably reporting this bill from the committee was that the Daughters of the American Revolution had received a similar exemption? It seems that this is a bill to exempt this particular organization, as against various other patriotic organizations not exempt, from the provisions of the tax laws. Those who were opposed to favorable consideration of this bill in committee were opposed because this was a proposition to exempt this society from the provisions of law from which other patriotic organizations are not exempted.

Mr. PATTERSON. Mr. Speaker, will the gentleman yield?

Mr. McLEOD. Yes.

Mr. PATTERSON. Are there not numerous patriotic organizations in the District of Columbia and elsewhere that are just as much entitled to this exemption as this particular society?

Mr. McLEOD. I do not know the number of organizations the gentleman refers to, but I do know that the Sons of the American Revolution have on two or three occasions petitioned for this, and no report was ever obtained for this committee.

Mr. PATTERSON. Can the gentleman give any evidence as to how many States in the Union have put into practice similar exemptions with reference to the same organization?

Mr. McLEOD. No.

Mrs. NORTON. It is a fact, though, that the principle has already been established in the District by exempting the Daughters of the American Revolution from taxation.

Mr. PATTERSON. I do not claim that that has not been done, but I think other organizations will be clamoring for the same exemption within a few weeks.

Mrs. NORTON. And they have a right to.

Mr. TARVER. Do I understand the gentleman from Michigan to say that the District Commissioners failed to make a report on this bill? They did make an adverse report, which was published in the daily RECORD a week ago, as I recall. I want to ask the gentleman this further question also: Has he obtained any information as to whether or not this property to be exempted is now being used for commercial purposes?

Mr. McLEOD. The committee has no knowledge that this property is being used for commercial purposes.

Mr. TARVER. It has no knowledge that it is not being used for commercial purposes?

Mr. McLEOD. That is provided in the act itself.

Mr. TARVER. Is the gentleman possessed of information as to the amount of taxes now being collected and as to the sum of money that would be taken out of the District treasury by the passage of this bill?

Mr. McLEOD. In reply to that question I will say that it is provided on page 1, line 9, that the property in question shall be "exempt from and after the date of the approval of this act by the President, from all taxation so long as the same is so occupied and used, subject to the provisions of section 8 of the act approved March 3, 1877, providing for exemptions of church and school property, and acts amendatory thereof."

So far as revenues are concerned I have no knowledge.

Mr. TARVER. The gentleman does not know what the property is worth?

Mr. STALKER. I will say to the gentleman that he could have obtained that information weeks ago.

Mr. TARVER. I asked that question when the bill was before the committee but nobody on the committee was able to give it to me.

Mr. STAFFORD. Mr. Speaker, a parliamentary inquiry.

The SPEAKER pro tempore. The gentleman will state it.

Mr. STAFFORD. I believe if consideration is given to this bill it will have to be in the Committee of the Whole. Is that correct?

The SPEAKER pro tempore. That is correct.

Mr. STAFFORD. I have asked the gentleman to withdraw it for the time being so that other bills on the calendar can be considered.

Mr. McLEOD. If the gentleman wishes to block these bills, he can do so, and if the gentleman is going to insist, I will withdraw my request.

Mr. Speaker, I withdraw the request I made.

The SPEAKER pro tempore. The gentleman from Michigan withdraws his request for the consideration of the bill, H. R. 3048.

NATIONAL LINCOLN MUSEUM AND VETERANS' HEADQUARTERS

Mr. McLEOD. Mr. Speaker, I call up the bill (H. R. 10554) to establish a national Lincoln museum and veterans' headquarters in the building known as Ford's Theater.

The SPEAKER pro tempore. The gentleman from Michigan [Mr. McLEOD] calls up the bill H. R. 10554, which the Clerk will report.

The Clerk read the title of the bill.

Mr. McLEOD. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10554) to establish a national Lincoln museum and veterans' headquarters in the building known as Ford's Theater.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10554) to establish a national Lincoln museum and veterans' headquarters in the building known as Ford's Theater, with Mr. HOLADAY in the chair.

The CHAIRMAN. The House is in Committee of the Whole House on the state of the Union for the consideration of the bill H. R. 10554, which the Clerk will report.

The Clerk read the title of the bill.

The CHAIRMAN. The gentleman from Michigan [Mr. McLEOD] is recognized.

Mr. McLEOD. Mr. Chairman, this bill is a bill to establish a national Lincoln museum in the building known as Ford's Theater. It was introduced and pressed by the District officials for the reason that the house known as the house where President Lincoln died is inadequate to house these relics, being several articles of value which are there at the present time, known as the Oldroyd collection. The house is not fireproof, It can not take care of the people who visit there daily in a safe fashion. It is also provided in the bill that the Ford's Theater, directly across the street, is better equipped, by making small improvements that have been suggested by this bill to take care of several articles of value that are to be added to the Oldroyd collection.

Mr. COLE. Will the gentleman yield?

Mr. McLEOD. I yield.

Mr. COLE. Will this Ford's Theater Building be purchased by the Government?

Mr. McLEOD. Ford's Theater is now owned by the Government.

Mr. COLE. What will be done with the old house that is now being used?

Mr. McLEOD. It is said that the old house is not proper or fit to house this collection of relics.

Mr. COLE. What disposition will be made of that?

Mr. McLEOD. I can not say.

Mr. COLE. That is owned by the Government also, is it not?

Mr. McLEOD. I do not know. I know that the Government owns the collection that is in the house. I do not know whether the Government owns the house or not.

Mr. STAFFORD. Mr. Chairman, I take the floor primarily to obtain information from members of the committee about this bill.

In years gone by we purchased from Mr. Oldroyd his collection of Lincolnia that he had housed in the building where the great President died, directly opposite from Ford's Theater. Ford's Theater, as we all know, is the property of the Government and is being used for warehouse purposes.

The bill under consideration seeks not only to transfer the Oldroyd collection now housed in the old residence, which Congress purchased, but also to provide housing facilities for the Military Order of the Loyal Legion, the Grand Army of the Republic, the Sons of Veterans, and such other societies as especially commemorate the Federal participation in the Civil War. There is appropriated by this bill $100,000 for the alteration of the Ford's Theater Building for those purposes. The question arises in my mind—and I direct the inquiry to some member of the committee—as to whether the committee has considered the propriety of having a portion of this appropriation borne by the District of Columbia or whether it is the intention and purpose to have the entire appropriation paid out of the Treasury of the United States?

Mr. McLEOD. It will be paid out of the Treasury of the United States.

Mr. STAFFORD. It was the intention of the committee to have the entire burden borne by the National Government?

Mr. McLEOD. Yes. It is a national affair. This is not a District affair in that sense. Everything pertaining to President Lincoln, I would say, is national more than District.

Mr. STAFFORD. I rather agree with the position of the acting chairman of the committee, that it is a national affair and not alone of local concern.

Mr. SNELL. Will the gentleman yield?

Mr. STAFFORD. I yield.

Mr. SNELL. How much of this is for the purchase of the collection?

Mr. McLEOD. That is owned by the Government.

Mr. SNELL. The entire collection?

Mr. McLEOD. The entire collection.

Mr. STAFFORD. Twenty-five years ago a studied effort was made on the part of Mr. Oldroyd to have the Government purchase this collection. I believe he succeeded sometime within the past 10 years in getting the Government to purchase his collection, and, also, purchase the building which he then owned. At present, the Government owns that building, and also the Ford's Theater. The gentleman from Michigan [Mr. McLEOD] now is proposing to alter the Ford's Theater Building to make it a suitable place for a museum to house these relics, and, also, to provide rooms for these various orders that are connected with the Civil War. May I inquire of the acting chairman of the committee, whether any plans have been drawn as to the remodeling of Ford's Theater, seeking to accomplish the end stated in the bill?

Mr. McLEOD. Only the opinion of Colonel Grant when he appeared before the committee urging a favorable report on this bill from the committee. Colonel Grant stated that about $100,000 would be needed to condition the building in such shape as would be necessary to make it appear as it did at the

time when the tragedy occurred, and also to provide the rooms which have just been mentioned.

Mr. STAFFORD. Then it is the idea to restore the interior of the building in the form of a theater, as nearly as may be?

Mr. McLEOD. No. The building itself is still in the form of a theater.

Mr. STAFFORD. That is, the exterior?

Mr. McLEOD. The interior. I understand it is still in the form of a theater, and this money would be used to renovate and improve it to the extent that would be necessary and also to lay out the rooms for these organizations.

Mr. STAFFORD. Has the committee given any consideration as to what disposition should be made of the Oldroyd home, where President Lincoln passed his last hours?

Mr. McLEOD. I do not know.

Mr. STAFFORD. I assume it will be the policy of the committee to retain that as a memorial.

Mr. BOWMAN. If the gentleman will yield, it is my understanding, according to Colonel Grant's testimony before the committee, that the rooms in the Oldroyd home will be placed in the same condition as they were at the time of Lincoln's death. They expect to remove all of the old relics from this home and place them in the old Ford's Theater, and then create an atmosphere in the Oldroyd home similar to the one that existed at the time of Lincoln's death.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. CHINDBLOM. I think many of us will recall that a bill similar to this was considered in a previous Congress. At that time a very forceful and successful fight was made against the bill on the ground that it was not considered a wholesome thing—but, on the contrary, a rather gruesome thing—to commemorate the building in which the martyred President met his sad death. At that time I think it was the purpose to restore Ford's Theater to its former condition and perpetuate the scene which existed at the time of the tragic death of the war President. I presume it is now intended to remodel this building entirely so as not to leave anything that suggests the conditions which existed at the time of the assassination of President Lincoln.

Mr. BOWMAN. That is true. The purpose is simply to make it a museum for the Lincoln collection.

Mr. STAFFORD. Those who are acquainted with the size of Ford's Theater and the character of the building in which these relics are now housed will not question the fact that the Ford's Theater Building is much more spacious and suitable for the housing of these relics than the present quarters.

Mr. SNELL. Will the gentleman yield?

Mr. STAFFORD. Yes.

Mr. SNELL. What provision is made for the maintenance of this building?

Mr. STAFFORD. The bill provides that the future care and maintenance of this building shall be at Government expense, under the Director of Public Buildings and Public Parks. At present the Ford's Theater Building is under the control of the Secretary of War and is being used for the storage of warehouse supplies. In a way, that is a desecration of the building in which this sad tragedy occurred. In view of the statement made by the gentleman from Illinois [Mr. CHINDBLOM] that it is intended to remodel the building for the purpose of housing these relics, and not to have it restored to its former condition, I see no great objection to the bill.

Mr. Chairman, I yield five minutes to the gentleman from Louisiana [Mr. O'CONNOR].

Mr. O'CONNOR of Louisiana. Mr. Chairman and gentlemen of the committee, I rise largely for the purpose of securing some information. Before the evening is over I would like the gentleman who is acting chairman of this committee to give publicly some reason why the policemen's and firemen's pay bill was not called up to-day?

I do not suppose I have any more interest in the wage earners and toilers than ninety-nine one-hundredths of the membership of this House, but I do have an interest in them. I was born and reared among wage earners, and I dare say that has given me the viewpoint I would like to express to-day. I dare say we are all children of toilers.

I have voted here for the remission of hundreds of millions of dollars of indebtedness due this country by Great Britain, France, Italy, and other countries, and so have Republicans who are apparently opposed to an increase in the pay of the firemen and policemen of the District of Columbia. I have voted for hundreds of millions of dollars for the Naval Establishment, and I am not sorry I have done so. So have the Republicans who are apparently against an increase in the salaries of the firemen and policemen of this city. I have voted for hundreds of millions of dollars for the United States Army and so, too, have the Republicans who are opposed to the enactment of this measure, promptly and expeditiously, and I am glad that I so voted. I have heard of refunds made to great corporations of this country, amounting to hundreds of millions of dollars, on account of taxes they paid during past years when they made enormous war profits and apparently that created no great flutter among those who flatter themselves that they are the watchdogs of the Treasury.

I have voted, I think, for a reduction of the surtaxes, when it meant millions and millions to the favored classes of our country, and so have the Republicans who are antagonistic to a measure that will do a small meed of justice to those who serve it more faithfully, more efficiently, and more courageously—by answering an alarm of fire at night and by guarding this city and its property—than many of the captains of industry in our land put together, who profiteered and patrioteered when millions of men in the same walks of life as the policemen and firemen were in the trenches and going across the sea to die in the trenches for the land in which they were born and reared.

I am interested in this bill because it means much to every police establishment and fire establishment in the United States of America, for they will watch the attitude of the National Government toward a matter to which the National Government, apparently, is antagonistic, though all the people of this District are clamoring for the passage of this bill, which will give relief to efficient, loyal, courageous, and brave servants of the people.

Why, my friends, I know that in the city in which I was born and reared none but brave men are firemen and policemen. Those who want to live forever do not join the police department or the fire department. Where I come from—and I imagine that is the case all over our Republic—they hazard their lives and they put at risk the families which are dependent upon them, for no policeman and no fireman can tell what a day may bring forth.

The CHAIRMAN. The time of the gentleman from Louisiana has expired.

Mr. STAFFORD. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. O'CONNOR of Louisiana. And yet we have those who have the temerity, as they are few in number, to appear as the giants of this House and tell us as pygmies that we can not consider this bill because they may resort to parliamentary strategy and tactics which will fritter away the day and prevent us from accomplishing the purpose so much desired by the people of the District of Columbia, who are told in effect almost insolently and arrogantly, that they shall not spend their own money in their own way and as they please in recognition of the valorous service of these poor and humble but brave men.

A majority view apparently means nothing in this House. A few so-called imaginary Titans are able to issue a ukase and in the most tyrannical, aggressive, and impressive manner imaginable retard and defeat the will of the majority in a free institution such as this House is supposed to be, and among the Representatives of the people of the United States practically block an attempt to do justice to men who are far more entitled to this relatively insignificant sum than the beneficiaries whose snouts we have greased so often in the past.

Seventy-five million dollars was returned or refunded to one corporation under a tax return not more than two years ago. This, my friends, is equivalent to the increase in pay for the policemen and firemen for 100 years. Sometimes it takes an illustration of this character to bring home the picture as it ought to be seen by the Members of this House.

Oh, I do not want to indulge in any criticism of those who avail themselves of their parliamentary rights, but sometimes the extreme of right is the extreme of wrong, and those who resort even to the parliamentary methods that they are entitled to can, under the guise of being right, perpetrate as great a wrong and be as arbitrary and as oppressive as any tyrant that ever lived.

I hope for the dignity of this House and its reputation as a deliberative body the tyrannical grasp upon it and its deliberations of one or two men will be broken into smithereens. Let us announce that the majority view of this House will be expressed in no uncertain terms, notwithstanding the obstructive tactics of a few shadows who obscure and smoke-screen the real foes of this policemen and firemen bill for the passage of which Washington is clamoring.

Mrs. NORTON. Will the gentleman yield?

Mr. O'CONNOR of Louisiana. Yes.

Mrs. NORTON. I have been advised the bill the gentleman refers to will be brought up for consideration next Monday.

We are all very much interested in the bill, and the members of the committee are hopeful that the bill will be brought up then.

Mr. O'CONNOR of Louisiana. Does the chairman of the committee indorse the statement made by the gentlewoman from New Jersey with respect to this bill being called up next Monday?

Mr. McLEOD. To the best of my knowledge, it is the intention that the bill will be brought up some time very soon.

Mr. COLE rose.

Mr. O'CONNOR of Louisiana. I desire to thank the House for its attention. I now yield to the gentleman from Iowa.

Mr. COLE. Mr. Chairman, I make the point of order there is not a quorum present. We ought to have more people here to transact the important business of the District of Columbia.

Mr. McLEOD. Mr. Chairman, I move the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. HOLADAY, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee, having had under consideration the bill (H. R. 10554) to establish a national Lincoln museum and veterans' headquarters in the building known as Ford's Theater, had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to Mr. MAAS, indefinitely, on account of business.

ADJOURNMENT OVER

Mr. TILSON. Mr. Speaker, I ask unanimous consent that when the House adjourns on Thursday next, it adjourn to meet on the following Monday.

Mr. O'CONNOR of Louisiana. Mr. Speaker, reserving the right to object, can the leader on the Republican side give us any reasonable assurance that the Consent Calendar will be gone through with before we adjourn?

Mr. TILSON. In my judgment there will be ample opportunity to go through the Consent Calendar and it is my intention that it shall be called all the way through.

Mr. O'CONNOR of Louisiana. I am frank to say to the gentleman that it is a matter of selfishness that prompts me to ask the question. I have what I consider one of the most important bills on that calendar and I would like to have it considered.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

HOUSE RESOLUTION 226

Mr. PATMAN. Mr. Speaker, I ask unanimous consent to extend my remarks by placing in the RECORD a copy of a resolution which I introduced to-day.

The SPEAKER. The gentleman from Texas asks unanimous consent to extend his remarks by printing a resolution introduced by himself. Is there objection?

There was no objection.

Mr. PATMAN. Mr. Speaker, under the leave to extend my remarks in the RECORD, I include the following resolution:

Resolution by Mr. PATMAN

Whereas it is charged that the representatives of cottonseed-oil mills have formed a conspiracy and have affiliated with international interests for the purpose of depressing and holding down the price of cottonseed oil; that said trust, in violation of the laws of the States and Nation, set the price the farmers should receive for their cottonseed during the fall of 1929; that said price was $75,000,000 less than the reasonable market price of said seed, thereby causing each cotton farmer to lose from $50 to $500 on his cottonseed; that the Attorney General of the United States was advised of this illegal conspiracy against the farmers which cost them $75,000,000 last fall and which is calculated to cost them a larger sum during the fall of 1930; that said Attorney General of the United States investigated said charges and found convincing evidence that said illegal organization, which is composed of representatives from practically every cottonseed-oil mill in the South, was violating the antitrust laws of the United States; that said Attorney General after making such discovery has failed and refused to commence any action of any kind or nature whatsoever against the guilty parties; and

Whereas it is charged that a few large concerns of the United States are endeavoring to get control of the food supply of the Nation and to set the prices that the producers may receive and the consumers must pay; that the Attorney General of the United States is cognizant of said desire on the part of these concerns to so monopolize the food supply and is making no effort to retard or impede their illegal operations; and

Whereas it is charged that the petroleum-oil companies of America and the large oil companies of the world have entered into agreements to set the prices that individuals and small independent companies may receive and the consumers must pay for gasoline and other petroleum-oil products in the United States; that said agreements are in writing, the names of the companies entering into them are known, and the agreements are in plain violation of the laws of the United States; that the Attorney General, notwithstanding this convincing evidence which has been called to his attention, has failed and refused to take any action having for its purpose the destruction of this combination and the punishment of these conspirators against the public interest;

Whereas it is charged that the Attorney General of the United States refused to advise a Member of Congress as to whether or not agreements entered into by a trade association were in violation of the law, with the excuse that the "Acts of Congress provide that the Attorney General shall give opinions only to the President and the heads of executive departments and independent Government bureaus"; that said Attorney General at the time he refused to advise a Member of Congress was freely advising with representatives of illegal combinations and trusts who were endeavoring to get concessions from the Government of the United States through his department that would permit said illegal combinations to set the prices of necessaries and conveniences of life; that the Attorney General has freely advised with representatives of illegal combinations who desired recognition of certain loopholes in the antitrust laws of the United States from his department; that said policy so pursued by the Attorney General of the United States is detrimental and destructive of the rights of the public and is using his office as an agency of convenience for private and unfair trusts and greedy monopolies.

Whereas it is charged that the Attorney General of the United States has had called to his attention the fact that 50 or more trade practice conferences have been held by the Federal Trade Commission for representatives of so many different industries, and that at said conferences resolutions were passed which were in direct and positive violation of the laws of the United States; that so far as is known said resolutions are now effective as between the members of each industry and are being complied with, and that the Attorney General of the United States has already failed and refused to do his duty by prosecuting the offending parties; and

Whereas it is charged that the Department of Justice of the United States never brings any kind of suits against illegal and unlawful combinations in restraint of trade, price-fixing organizations, and monopolistic organizations except what are known as friendly suits; that said department so handles said suits that in the event the offending parties lose and the Government wins no one will be compelled to pay a fine or go to jail; that there is no effort on the part of the Department of Justice to enforce the antitrust laws of the Nation, but a tendency by said department to permit their violation with the implied, if not expressed, understanding that suits will not be instituted or prosecutions commenced that will require the payment of fines or the serving of jail or penitentiary sentences; and

Whereas it is charged that the Attorney General has received convincing evidence that trade associations operating under their assumed cloak of legality thrown about them by the Federal Trade Commission have been and are now violating the antitrust law of the United States, and he has failed and refused to take any legal action whatsoever against the guilty individuals and concerns; and

Whereas it is charged that the Department of Justice, through statements issued through the press and otherwise, has let it be known that no "trust busting" campaign is going to be initiated by that department; that said statement under the circumstances and couched in said language is sufficient to advise violators of the antitrust laws that they will be dealt with sympathetically and gently by said department, if at all.

Whereas the courts of the Nation have construed the antitrust act of the United States in more cases and from more different angles than any other law that is now upon our statute books; that more words have been written by the judges of our Federal courts in construing the antitrust act than are contained in the greatest of all books, the Holy Bible. Yet, the Attorney General of the United States claims he does no know how the courts will construe said act, that antitrust laws are still indefinite, vague, and more friendly suits are necessary; friendly suits are delayed in the courts while illegal combinations continue to defraud the public.

Whereas it is charged that trusts and monopolies are now being formed for the purpose of controlling the prices of all the commodities necessary for the comfort and convenience of life and said Attorney General of the United States is not taking an effective stand against their organization, but on the other hand, by reason of his inaction, acquiescence, public statements, and in other ways, said monopolies and trusts are encouraged.

Whereas private monopolies and trusts are indefensible; if effective action is not taken by the Congress of the United States, producers and consumers will continue to be robbed, independent business will be ruined, personal initiative crushed, and the hopes and aspirations of the young destroyed: Therefore be it

Resolved, That there is hereby established a select committee to be composed of five Members of the House of Representatives, to be appointed by the Speaker of the House of Representatives, for the purpose of investigating said charges.

(a) Such committee shall report its findings to the Congress not later than February 1, 1931, including such recommendations as it may deem advisable. Upon the filing of such report the committee shall cease to exist.

(b) For the purposes of this resolution the committee is authorized to select a chairman; to hold such hearings within the District of Columbia and elsewhere in the United States during the sessions and recesses of the Congress; to employ such clerical, stenographic, and other assistants; to require the attendance of such witnesses and the production of such books, papers, and documents; to administer such oaths; to take such testimony; and to have such printing and binding done and to make such expenditures (including expenditures for travel and subsistence) as it may deem necessary.

(c) The expenses of the committee shall be paid from the contingent fund of the House of Representatives, upon vouchers to be approved by the chairman of the committee.

MUSCLE SHOALS

Mr. McSWAIN. Mr. Speaker, I ask unanimous consent to extend my own remarks and to include in connection therewith my own views filed in connection with the report of the Committee on Military Affairs on Muscle Shoals, and also a bill introduced by myself on that subject, being the bill H. R. 12097.

The SPEAKER. Is there objection to the request of the gentleman from South Carolina?

There was no objection.

Mr. McSWAIN. Mr. Speaker, not expecting to participate in the general debate authorized by the rule providing for the consideration of the Muscle Shoals question, I am extending my remarks under permission granted by the House by printing my views of the bill, which was reported by the Committee on Military Affairs, and in connection with said views I am also printing H. R. 12097, a bill introduced by myself on May 2, 1930, to authorize the leasing of said Muscle Shoals property.

VIEWS OF REPRESENTATIVE McSWAIN

I regret my inability to give my unqualified approval at this time to the bill which has been reported by the committee, being substantially the same bill which was formulated by the subcommittee of five of which I was a member. The other members of the subcommittee understand fully my attitude. Our difference is fundamental and relates to what should be the controlling principles underlying such a bill. These differences may be summarized generally as follows:

1. As to permitting the property to be subdivided and leased to two or more different lessees. In my opinion, the property is a unit and should be let to only one person, firm, or corporation.

2. As to the temporary nature of the board, which is not confirmed by the Senate. In my judgment, the board should be a continuing body and be confirmed by the Senate, and even if the property should be leased, should exist for the purpose of supervising the performance of the lease, thus insuring that the interests of the public, and especially of agriculture, are protected and that the provisions of the lease are carried out by the lessee.

3. As to the absence of sufficient definiteness and certainty in the specifications and limitations governing the formulation of a lease and the performance of the provisions of the lease. The requirements as to the fixation of nitrogen and as to the processing of such fixed nitrogen into the form of fertilizer, such as can be directly applied to the soil and to crops, should not only be definite as to the amount to be prepared during the first period, which in the bill is three and one-half years, but the law should specify exactly the increases to be made in production and the successive periods of time in which such exact increases must be made, provided the market demand justifies, and for this reason, among many other reasons, the continuing presence of an official body such as the board is necessary.

4. The absence of an alternative provision of the same general nature as that which passed the Senate. It should be provided that unless a satisfactory lease with a responsible person, firm, or corporation should be made within one year after the act becomes law, then the same board which has been trying to negotiate a lease, should proceed to put the plant to work in the fixation of nitrogen and in altering and adding to the plant so as to process such fixed nitrogen for use as a fertilizer. The bill should also provide that if the board should at any time after commencing the operation of the plant have an offer to lease the same, then it should consider such offer, and if the board should be able to agree upon a lease and should execute it, then the possession and control of the property should pass as a going concern to the lessee, with the minimum of interruption to the business.

REASONS FOR MY DISSENT

I do not believe that the property can be advantageously and wisely—having in view its purpose for national defense and for agriculture—leased to more than one person, firm, or corporation. The plant was built as a unit; its arrangement, its service systems, such as water and sewerage, railroad tracks, and lighting wires, all contemplate one management, and to divide the same up into two or more parts will lead to confusion, collision, and consequent failure for at least some of the lessees. It is too much to expect of human nature that there should be cooperation and joint action among two or more lessees upon the same ground, dealing with the same property, and, especially, receiving power from the same source. Since inequality of control and management would lead to deadlocking, and since predominance of control in one, would lead to despotism and oppression, it is too much to expect thoughtful business men to invest the necessary millions of capital under conditions so unpromising. One or more of the lessees will get the advantage over the others, and thus at least a part of the properties will be surrendered to the Government, and such part will almost certainly be nitrate plants No. 1 and No. 2. When these plants are no longer operated, then the power necessary for their operation is released to the other lessee, or to the board of control, or to the holding corporation which is dominated by such other lessee, and thus the project is one-sided and incomplete.

THE BOARD SHOULD BE PERMANENT

Only by means of a permanent board, appointed by the President, but confirmed by the Senate, can the public interest be constantly watched after and protected. If the property be leased, then the maximum number of days per year for which the board can collect a per diem may be easily limited so as to not be burdensome. By having a continuing body we are assured of three persons kept constantly familiar with all the problems connected with the Muscle Shoals project, whether under lease or under Government operation, and this board will be in a position to say and decide whether or not the law is being observed and the provisions of the contracts of letting lived up to by the lessee. There is need for the board as the representative of the public and especially of agriculture in connection with the cheapest possible production of nitrogenous plant food. The greatest problem in agriculture to-day is, aside from the marketing problem, that of artificial fertilizers at reasonable prices. In order to accomplish this end it is necessary to free the farmer from the strangle hold of Chilean monopoly over nitrate of soda. Likewise, it is necessary to demonstrate to the farmer and to the world the cost of producing synthetic nitrogen adapted as a plant food. Chilean nitrates, controlled by a natural monopoly, whose existence is guaranteed by the Chilean Government, which controls the production and marketing of sodium nitrate and imposes an export duty upon the same is the standard by which the manufacturers of synthetic nitrogen throughout the world gage and fix their prices. It is admitted that there is a world-wide trust or agreement called a cartel, amounting to a monopoly in the production and sale of nitrogen products.

During the last 50 years the farmers of America have paid to the Chilean Government in the form of export duty about $265,000,000. In addition they paid for the charges of transport from the west coast of South America to the east coast of North America about $280,000,000. Thus they have paid as charges, which should now be absolutely unnecessary, more than $500,000,000 for what represents no value whatever, but is tribute paid to a natural monopoly located several thousand miles from our farms and fields. Since science has discovered that over every acre of land there are many tons of nitrogen which by scientific process may be converted into plant food just as good and effective as the natural Chilean nitrate of soda, we should do everything in our power to shake off the grip of Chilean monopoly and to overthrow the power of the world trust. Strange as it might seem, there are some people who are glad for the Government to help industry by protective tariffs, and to help banks by governmental machinery, and to help railroads by guaranteeing returns upon investment, and to do this the Government itself prevents cutthroat competition, and to spend hundreds of millions, aggregating throughout our history billions of dollars, in improving rivers and harbors as agencies of commerce, in order to make commerce more profitable for certain cities and certain classes of individuals. In many other ways that I might mention the power of law exerted by the Federal Government has been employed to help certain kinds of business. But stranger still, some of these very people that take governmental aid as above indicated to be a matter of course, in fact, a practice so long standing that they regard it as a right on their part to demand such Government aid and a duty on the part of the Government to give such aid, yet these very people are so afraid that the Government will do something for the American farmer that they seem utterly indifferent to what the Chilean Government has done and is doing to the American farmer.

INSUFFICIENT SPECIFICATIONS AND LIMITATIONS IN THE BILL

From the beginning of the Muscle Shoals project in 1916, when by the terms of the law the property was dedicated to national defense in time of war and to the production of nitrates or other products useful in the manufacture of fertilizers, there have been certain fundamental and prevailing principles governing the action of the committee of the Congress and controlling the public opinion of the country. The first formal expression of these ideas bears date of April 24, 1922, and is as follows:

MUSCLE SHOALS

COMMITTEE ON MILITARY AFFAIRS,
HOUSE OF REPRESENTATIVES,
April 24, 1922.

It is the judgment of this subcommittee that any proposition for the purchase, lease, or use of the Muscle Shoals property of the Government of the United States shall be based upon the following as fundamentals and essentials:

1. That the property shall at all times be subject to the absolute right and control of the Government for the production of nitrates or other ammunition components of munitions of war, and that nitrate plant No. 2 must be kept available therefor by the purchasers, lessees, or users of the property.

2. That the purchasers, lessees, or users of the property shall be obligated in the strictest terms to the manufacture and sale to the public of fertilizers in time of peace.

3. That any proposal for the purchase, lease, or use of the Muscle Shoals property of the United States Government must be for the entire property except the so-called Gorgas plant and the transmission line therefrom.

FRANK L. GREENE.
JOHN F. MILLER.
RICHARD WAYNE PARKER
(So far as it goes).
PERCY E. QUIN.
WILLIAM C. WRIGHT.

The next expression of these principles is found in the majority report of the commission appointed by President Coolidge on March 26, 1925. The concluding statement of the majority of that commission is as follows:

"CONCLUDING STATEMENT

"It is the mature judgment of the undersigned members of the inquiry that the Muscle Shoals property is primarily a part of our national defense and we are convinced that this view is generally shared by the people of the United States. It is obvious that when these plants are needed for the production of munitions in time of war they will be needed quickly. The Government should, therefore, hold the title to the plants and prevent their being so changed as to make impracticable their immediate conversion for the manufacture of munitions, and arrangements should be made that will assure the maintenance of a trained operating force. These needs can best be served, in our judgment, by operating the plants. Fortunately, the plants are of such a character that they can render an important peace-time service to agriculture, and this vast expenditure of the Government need not remain idle or unproductive.

"We therefore unhesitatingly recommend legislation be enacted by Congress to lease this property on such terms as have been herein enumerated, and in event of failure to obtain a lease the President should have authority to cause these plants to be immediately operated as a Government enterprise.

"It is with great reluctance that we turn toward Government operation, being well advised of all of the infirmities inherent in such an undertaking. The great investment of the Government at Muscle Shoals, however, the importance of its continued maintenance as a part of our national defense, the crying need of agriculture for more and cheaper fertilizer, and the favorable opportunity for meeting that need, all compel us to disregard our prejudices, for we are convinced that to longer permit this great investment to stand idle when it can be of such great service to our people would be little less than a public calamity.

"Delay in this case is expensive. Legislative action is imperative.

"Dated this 14th day of November, 1925.

"JOHN C. MCKENZIE.
"NATHANIEL B. DIAL.
"R. F. BOWER."

The next expression of these same ideas is found in the House Concurrent Resolution No. 4, adopted by the Sixty-ninth Congress, first session, 1926, and is as follows:

"*Resolved by the House of Representatives (the Senate concurring)*, That a joint committee, to be known as the Joint Committee on Muscle Shoals, is hereby established, to be composed of three members to be appointed by the President of the Senate from the Committee on Agriculture and Forestry and three members to be appointed by the Speaker of the House of Representatives from the Committee on Military Affairs."

"The committee is authorized and directed to conduct negotiations for a lease or leases (but no lease or leases shall be recommended which do not guarantee and safeguard the production of nitrates and other fertilizer ingredients mixed or unmixed primarily as hereinafter provided) of the nitrate and power properties of the United States at Muscle Shoals, Ala., including the quarry properties at Waco, Ala., for the production of nitrates primarily and incidentally for power purposes, such power to be equitably distributed between the communities and States to which it may be properly transported, in order to serve national defense, agriculture, and industrial purposes, and upon terms which so far as possible shall provide benefits to the Government and to agriculture equal to or greater than those set forth in H. R. 518, Sixty-eighth Congress, first session, except that the lease or leases shall be for a period not to exceed 50 years.

"Said committee shall have leave to report its findings and recommendations, together with a bill or joint resolution for the purpose of carrying them into effect, which bill or joint resolution shall, in the House, have the status that is provided for measures enumerated in clause 56 of Rule XI: *Provided*, That the committee shall report to Congress not later than April 26, 1926: *And provided further*, That the committee in making its report shall file for the information of the Senate and the House of Representatives, a true copy of all proposals submitted to it in the conduct of such negotiations."

The next expression of this same principle is found in the report of this committee to the Sixty-ninth Congress, second session, and dated March 3, 1927, and is as follows:

"The Committee on Military Affairs, to which was referred sundry bills relating to Muscle Shoals, Ala., submit to the House a report containing the report of the subcommittee, which report was adopted by the full committee on March 3, 1927.

"*The chairman and members of the Military Affairs Committee of the House:*

"Your subcommittee appointed February 2, 1927, to consider H. R. 16396 and H. R. 16614, known, respectively, as the Reese bill and the Madden bill, both having reference to the disposition of Muscle Shoals, organized and proceeded to the discharge of its duties immediately after being appointed.

"In considering the subject your subcommittee felt that the principal purpose of the Congress regarding Muscle Shoals is to safeguard the national defense, promote fertilizer production of substantial benefit to agriculture, and to secure the most beneficial public use of the power-generating facilities after the national defense and fertilizer manufacture purposes have been fully served. This purpose has been stressed in reports made on the subject by various committees of Congress, the joint commission, and the President of the United States.

"Having in mind this fundamental purpose in its consideration of the two offers, your subcommittee also felt bound by the following limitations placed upon it by the full committee:

"'1. That the property shall at all times be subject to the absolute right and control of the Government for the production of nitrates or other ammunition components of munitions of war and that nitrate plant No. 2 must be kept available therefor by the purchasers, lessees, or users of the property.

"'2. That the purchasers, lessees, or users of the property shall be obligated in the strictest terms to the manufacture and sale to the public of fertilizers in time of peace.

"'3. That any proposal for the purchase, lease, or use of the Muscle Shoals property of the United States Government must be for the entire property except the so-called Gorgas plan and the transmission line therefrom.

"'4. In the consideration of any offers for Muscle Shoals that it be a prerequisite that such offer contain a stipulation that the lessee, operating agency, or owner, as the case may be, be required to return to, or account for to, the Government, either in cash or by way of reduction in the price of the fertilizer manufactured, the profits from the sale of power which would have been used in the manufacture of fertilizer in case there had been no discontinuance in the manufacture thereof; that the manufacture of fertilizer may be discontinued only when there shall be such excess accumulation of fertilizer stocks as shall be in excess of the reasonable or prospective demands for such fertilizer, and such manufacture shall be resumed upon reduction to a reasonable degree of such accumulated stock of fertilizer.

"'5. That any bid must contain a provision for the forfeiture of the power rights and fertilizer provisions if there is any failure to produce nitrates in the amount of at least 40,000 tons per year, provided that such forfeiture as may not be due to the neglect, misconduct, or fault of the lessee shall not include the loss of the reasonable value of the property at the time of the forfeiture, but the lessee shall be reimbursed by the Government for the reasonable value of such property then and there belonging to the lessee and essential to the operation of the plants.'

"After full and careful consideration, including discussions on both propositions with representatives of the respective bidders, your subcommittee has reached the unanimous decision that neither of the offers as embodied in the two bids considered, either as originally introduced or as amended by representatives of the respective bidders following discussion in the subcommittee, meet all the fundamental principles hereinbefore enumerated, and in their present forms neither sufficiently safeguards all the public interests involved.

"Your subcommittee has agreed unanimously that the principle and limitations noted in this report should be held as fundamental and any proposed legislation submitted to Congress for consideration at the next session should contain provisions based on these fundamentals.

"Your subcommittee is also of the opinion and submits to the committee that unless by the time Congress convenes for the Seventieth

Congress a bid is received which more fully and satisfactorily meets the conditions and limitations set forth in this report, an effort should be made to secure an operating contract for the production of fertilizer at Muscle Shoals, and in default thereof this committee should give the matter of operation at Muscle Shoals by a Government corporation full and careful consideration.

"The subcommittee unanimously agreed that the committee be advised that it is the sense of the subcommittee that no preliminary permit be granted by the Federal Power Commission at Cove Creek, or any other point which might affect the Muscle Shoals project, until after the expiration of the next session of Congress.

"It was also unanimously agreed that the Secretary of War be requested to allot a sufficient amount from available funds for the Government engineers to make a preliminary investigation and survey of the Cove Creek Dam proposition, including borings, and that such work be actively prosecuted so that a report to Congress can be made thereon at the beginning of the next session. It is also the sense of your subcommittee that any money expended by the Government in this preliminary work, including borings at Cove Creek, should be repaid to the Government by any licensee to whom a license might hereafter be granted by the Federal Power Commission, in case the Government should not build the dam at Cove Creek.

"It is recommended that the stenographic report of the hearings and discussions held by the subcommittee, together with data pertinent to the subject filed with the subcommittee, be printed with a proper index for the information of the committee and the Members of Congress.

"For the information of the members of the committee there is made a part of this report the proposed legislation with original language eliminated or changed indicated by stricken-through type and new language inserted indicated by italics. Proposed amendments not agreed to by the representatives of the bidders will be found in the printed hearings.

"W. FRANK JAMES.
"HARRY WURZBACH.
"J. MAYHEW WAINWRIGHT.
"NOBLE J. JOHNSON.
"HUBERT F. FISHER.
"W. C. WRIGHT.
"J. J. MCSWAIN."

These are the general principles that have become fundamental in my thinking on this subject, and I believe the country will be shocked by finding that some of them at least are now partially disregarded. I am not a blind worshiper of the past, and I recognize the full value of any ideas introduced and any suggestions coming from persons that have not been long habituated by a fixed manner of thinking on the subject. At the same time, in view of the peculiar nature of this project, in view of its essential unity, in view of its constituting an important, essential, indispensable part of our national defense program, I am still persuaded that the views of our predecessors on the committee, and the views that have prevailed in the committee since I became a member thereof up to the present modification of these views, are justified by reason, common sense, and business experience.

BOARD NECESSARY TO NEGOTIATE LEASE

I fully concur in that feature of the bill setting up a board to negotiate the terms of a lease, but, as above indicated, think that the board should be a permanent body and should therefore be confirmed by the Senate. Several years ago I became convinced that it would be impossible for the two Houses of Congress ever to negotiate the terms of a lease for this property. I therefore frequently announced this conclusion and expressed an intention of formulating a bill setting up a board to negotiate and execute the lease subject to specifications and limitations so definite and clear that the original ideas of the Congress with reference to these properties could not be frustrated. I did prepare such a bill and the same appears in the form of a committee print dated April 15, 1930. Later I revised the same somewhat by way of clarifying and amplifying the same, and it now appears as H. R. 12097. That bill represents my individual views as to the limitations and requirements that should be imposed on the board. In the bill reported by the majority of the committee I fear there is too wide a discretion vested in the board. The board has almost as much power to deal with these Government properties as the individual citizen has in dealing with his own property. It is contended by those directly responsible for the bill that these ample powers and this great latitude are necessary in order to enable the board to effectuate a lease. I know that these gentlemen are sincere in this contention, and I merely submit most respectfully that they are mistaken. There is no such urgent necessity for the swift and certain execution of a lease as to justify our taking the chances of making a serious mistake.

Having studied the problem very carefully for about eight years, having attended all the hearings within that time, having made an earnest effort to accomplish leases with proposed private operations, I am clearly of the opinion that the limitations and restrictions imposed upon the board under the terms of H. R. 12097 would not prevent the negotiation of a lease for the entire property, and that is especially true, if the alternative provision for operation of the properties by the board in the event of failure to execute such lease is coupled with the lease authorization in the same bill. I fully sympathize with the opposition to Government operation. I would turn to it most reluctantly. But I believe if we say in one and the same bill, unless private persons are willing to lease these properties upon the fair and reasonable terms that we set down, being such terms as we have all agreed upon for the last eight years or more, then the property shall be operated by the board. This will be a very persuasive and perhaps compelling consideration in the minds of both the board and prospective lessees, in hastening negotiations and in concluding a lease.

WHAT THE SPECIFICATIONS SHOULD BE

The law should insure the financial responsibility of any lessee by requiring the lessee to deposit at least $10,000,000 in such securities and with such trustee as would satisfy the board of the absolute and undisputed financial solvency and good faith of the lessee. In the next place, the law should require the lessee to fix nitrogen and to convert the same into nitrogenous plant food available as a fertilizer by direct application to the soil, in fixed quantities to be specified in the law and to be increased at fixed periods of time by fixed amounts until the maximum production capacity of both nitrate plants Nos. 1 and 2 has been reached. Of course, there should be ample authority granted to the lessee to change the process of fixing nitrogen in either or both of said plants, or to establish other plants on the same property for that purpose, but the amounts to be produced should not be left to the discretion of the board. Of course, the law should provide that if the nitrogenous fertilizer will not sell in sufficient volume to take practically the entire output of said plants, then the plants need not be operated so long as a stipulated minimum is kept in storage. Furthermore, the President should not be authorized upon the recommendation of the board to release the lessee from any of the requirements of the law or of the leases. If in the progress of science or under great economic changes the lessee can not succeed with any part of the project—for illustration, with the fertilizer feature—then Congress alone should exercise the discretion to release a lessee from the terms of his contract.

However, I have always favored a provision of law that if a lessee makes an honest effort in good faith to make a success of the fertilizer feature at Muscle Shoals, and if for any reason beyond his control the fertilizer feature fails, then the lessee should be released by Congress, and should also be reimbursed for the reasonable value of any property that the lessee might have placed upon the land of the Government for the purpose of carrying out the provisions of the lease. It would be more economical for the Government to thus have the lessee make the experiment and to fail than it would be for the Government itself to make the experiment and fail. The Government would thus own whatever plant and machinery the lessee might have installed, and it would only be a fair and reasonable inducement for the execution of a lease. Such was the opinion of the committee in its report of March 3, 1927.

SOME FAVORABLE POINTS

Candor compels the admission that, if the exact quantity of nitrogenous fertilizer to be produced were unequivocally and absolutely stipulated, the bill has several favorable features as to fertilizer, and has some features more favorable to agriculture than any bill that has been seriously considered since the Ford offer was before Congress.

(a) The limitation of 8 per cent profit on the turnover is such as to induce the lessee to turn out the greatest quantity of fertilizer consistent with the capacity of the plants and with the demands of the trade. For every dollar's worth of fertilizer he manufactures and sells, he gets 8 cents clear profit.

(b) Exceedingly important in the matter of the cost of fertilizer is the provision requiring a bilateral audit to be made each year of the cost of fertilizer for the purpose of fixing the price. It is my belief that under the set-up of this bill nitrogenous fertilizers can be produced and sold at somewhere between 25 and 40 per cent less than fertilizers containing the same kind and the same percentage of plant food are now being sold at. To insure this reduction in the selling price of nitrogenous plant food the bill contemplates an impartial ascertainment and decision of the costs of production. This is insured by the appointment of one production engineer by the lessee and another production engineer by the President on behalf of the public, and these two shall work in connection with a certified public accountant to be chosen by them, and in the event of any dispute among them as to the elements and proper items of cost they shall select a third production engineer, and after hearing all the facts and arguments for both sides, he shall render a decision. Each annual audit shall be filed with the Secretary of Agriculture and preserved for purposes of comparison and for checking in the future. This is a most valuable provision.

(c) According to the long-standing decision of the committee and of Congress, credit shall be allowed as against the cost of manufacturing fertilizer, for any profit arising from the sale of power during any period of temporary suspension in the manufacture of fertilizer. It is also provided that if the lessee installs any new process or method of fixing

nitrogen and of preparing the same for use as a fertilizer and if such new installation or method results in an economy of power, then such economy shall be divided equally between the lessee, to encourage him to make such change, and the fertilizer account, in order to give agriculture the benefit of such economy.

(d) An entirely new and highly valuable suggestion is contained in the direction that secondary power shall be employed wherever the same can be economically done, either by firming the same up by the use of supplementary steam power or by the periodic employment of secondary power. As the consumption of fertilizer is periodic, being used almost exclusively in the southern tier of States during the spring and summer, the production thereof can also be made periodic. If the period of production is made to fit the period of greatest volume of water in the Tennessee River which usually extends from the late fall to the late spring, then there should be a still greater economy in the production of such fertilizer.

(e) The stipulation that no charge shall be made against the lessee for the ammonization of nitrate plants No. 1 and No. 2 so long as they are employed in the fixation of nitrogen for agricultural purposes, is highly advantageous to fertilizer. It is a perfectly fair proposition because the bill requires that those parts of nitrate plants No. 1 and No. 2 which are employed for the oxidation of ammonia in the production of nitric acid and of ammonium nitrate, shall be maintained in good condition by the lessee and ready at all times to be employed for such purpose, for the making of the ingredients of explosives for ammunition purposes. Thus the lessee is obligated to keep up, ready for use at all times, what is virtually an arsenal, and an essential feature of national defense. In fact, the whole project of fixing nitrogen is essential to national defense. Fortunately and happily the more nitrogen we fix for agriculture the better prepared we are in that respect for war. There is no other situation analogous to it. This dual use of the plants at Muscle Shoals, this peace-time purpose and war-time mission, is similar to the supposed case of where a ship would be useful for peace time in carrying commerce and in war for fighting battles. It is also similar to what would be the case if an army were useful in peace times for producing crops, or for manufacturing products, or for carrying on useful and valuable education, and at the same time be thus better prepared for the conduct of war in that event. For these reasons, the Muscle Shoals project is unique and stands separate and apart from any other thing connected with our national-defense program. In view of the supreme importance of agriculture and of our absolute dependence upon agricultural products both in peace and in war, it is highly proper that every reasonable encouragement should be provided in the lease for the fixing of nitrogen during all the years of peace.

(f) The provision that the lessee shall not charge for any patent rights belonging to it, or to any of its officers or to any of its subsidiary or allied corporations or to their officers, is a wise protection against abuse. Furthermore, such patent rights as may be purchased for the purpose of producing fertilizer ingredients more economically shall be charged as plant account and thus distribute the cost of such patent rights through a long period of time.

(g) It will also be noted that the lessee shall be bound to carry on laboratory experiments to ascertain what, if anything, can be done to produce fertilizers more economically and in general to establish agriculture on a scientific basis. In fact, the entire plant is one huge laboratory that will prove of vast value to agriculture, and especially in breaking the power of the world trust in nitrogen, and especially in casting off the yoke that the Chilean Government and the Chilean nitrate producers have fixed upon the necks of American farmers.

(h) The right of visitation at any time by the representatives of the War Department and of the Department of Agriculture, in order to keep abreast of the progress being made in the Muscle Shoals properties in connection with the fixation and processing of nitrogen, must prove exceedingly valuable. While the information thus obtained is not to be published, it will become indirectly and eventually the property of the scientific and industrial world and will thus prove of great benefit to the whole people, producers and consumers.

(i) The right of recapture, both temporary and permanent, is absolutely protected by the provisions of the bill. In the event of war the President may by order take over the property without interference by any court and the Government shall be liable only for the actual damages sustained by the lessee on account of such taking, not including any speculative damages, and the amount of such actual damages must be ascertained by proceedings in the Court of Claims. On the other hand, in the event of failure by the lessee to carry out the terms of the lease, the President may direct the Attorney General to institute suit in any United States district court having jurisdiction of the lessee, to declare the lease vacated and ended by reason of such failure and thus accomplish the permanent recapture of the property.

(j) The manifest and reasonable provision that the lessee must be either an American citizen or a corporation owned and controlled by an American citizen and in the event of a failure in this requirement the President is to have the absolute and immediate right of reentry (by force if necessary) for the purpose of repossessing the property, and in such event there shall be no compensation paid to the lessee.

(k) The provision in section 11 whereby the power to lease is limited to the prior or contemporaneous leasing of some part of the property whereby the lessee shall agree to the production of fertilizer bases or fertilizers as specified in subsection A of section 2. While this provision is made necessary by reason of the proposed cutting up of the property into two or more parts and leasing the same to two or more lessees, and is a partial protection against the danger inherent in such plan, yet it is not a complete protection and if the bill becomes law in its present form the board must watch these dangers and hedge against them, or otherwise all hope for agricultural relief against the world monopoly in nitrogen may be abandoned. The danger lies in the possibility of the nitrate plants being leased to one or more persons, firms, or corporations that do not possess ample assets and whose financial solvency is not above question and who may not enter into the leases in good faith but merely as "straw men" or "decoys" in order to permit the leasing of the valuable power parts of the property. In such event the financially weak and morally faithless lessees of the nitrate plants might drop out of the picture very soon and the United States would be helpless. It is true there would be the performance bond on which the United States might, after long litigation, be able to collect some money, but the money would be utterly insignificant in value when compared with the losses to agriculture. Furthermore, the Government would be unable to lease these same properties to any other lessee in the face of the failure already made, and second, in view of the fact that the power and its privileges and benefits have already passed to another lessee and that lessee would probably be unfriendly to the claims and admissions of agriculture. This way lies danger, and for this reason the entire property should be tied together and if not leased to the same person, firm, or corporation, the two or more lessees should certainly be mutual guarantors. If there were one lessee only, then the failure of the provisions of the lease in any one important respect would justify the United States in recapturing the entire property. In like manner, if the lessees were mutual guarantors, no one lessee could drop out of the picture. Either all would succeed or all would fail. It will be practically impossible for all to fail, in view of the magnitude of the power privileges.

SAFETY CLAUSE

Provision is made in the bill that the negotiations for leasing and the actual lease itself shall not be transacted in a dark chamber nor in a corner. The board is required to give the widest possible publicity, inviting proposals to lease. The board is also required to furnish any person on demand full information as to the appraised value of the property. It is further provided that at least 30 days shall elapse after the board and the lessee shall agree as to the terms of the lease before the same shall become effective by the written approval of the President. During this 30 days any citizen of the United States interested in the subject, and having ground to think that a mistake is about to be made can either see the President or address a memorial or brief or other communication to the President, stating the reasons for such belief and warning the President against confirming by his approval the action of the board.

SECOND ALTERNATIVE PROVISION

I think, however, that there should not only be coupled with the authority to lease a provision that the same board shall commence the operation of the property at a fixed time, in the event that no satisfactory lease for the entire property should have been negotiated, but I also think that the bill should contain what may be rightly termed a "second alternative," providing that the same board shall have authority even after it may commence the operation of the properties, to consider any proposal made to it for leasing the property, and if a satisfactory proposal be made and a lease be executed by the board, then that the lease should contain provisions for the lessee to take over the property as a going concern by paying for the stock in process and any stock on hand, so that there may be the minimum of interruption to the business. A transfer can be made from Government operation to private operation without the stopping of a single wheel or the reduction of the fertilizer product by a single pound.

FINAL DISPOSITION OF QUESTION DESIRABLE

If the bill contained adequately definite stipulations and requirements for any lease to be executed by a continuing board to be appointed by the President and confirmed by the Senate, and if in the same bill there were provisions for the board thus constituted to operate the property upon failure to execute a satisfactory lease within the time stipulated, and if in addition there was a provision, as above indicated, giving the board power and authority to execute a lease even after commencing Government operation, then every possible phase of this long-standing and many-sided problem would be settled legislatively. To provide now for the leasing only means that if a satisfactory lease is not made, the proposition must be before Congress again with all of its perplexing complications and undisputed difficulties, in about 18 months. The question will then be the same as it is now. We are just as well prepared now to settle the entire proposition as we will be to settle it piecemeal 18 months from now. Under such a threefold disposition of the problem, every aspect of the question is met and settled. Undoubtedly the clear majority opinion is that Govern-

ment operation should be resorted to only as a last resort. But the power in the board to commence Government operation will give momentum to negotiations looking to a lease. Also, after Government operation commences, the power to make a lease will stimulate interest on the part of persons wishing to enter that field of business and wishing at the same time to be free from Government competition. From every point of view this threefold treatment of the proposal should be satisfactory and should command a prompt and overwhelming majority in both Houses.

ECONOMIC AND INDUSTRIAL RESULTS

Let us take a glimpse into the future of what will probably be the result of wise and rational action by the leasing board. If the property is leased to a concern financially responsible which intends in good faith to carry out the purposes of the act, then I can envisage a marvelous development in the whole Tennessee River region and even in adjacent sections. The first and direct result will be the production of a cheap nitrogeneous plant food which will demonstrate to the farmers and the business people of the United States the actual cost of fixing nitrogen and of processing the same for use as fertilizer. Judging by numerous estimates made by experts, the reduction will cut the present cost of nitrogen products from 25 to 40 per cent. This should break the power of the Chilean nitrate trust which has extracted tribute from the world and especially from the farmers of the United States, merely because Chile has a monopoly upon mineral nitrate of soda. Two hundred and sixty-five million dollars has been paid into the public treasury of Chile as the export duty upon nitrate of soda exported to the United States alone. When to this is added the exports of nitrate of soda to other countries, especially prior to the World War, the total receipts by the Government of Chile for such export tax must amount to more than a billion dollars. Thus the people of Chile have shifted a large part of their tax burden upon the shoulders of the people of other nations, merely because they possess a natural monopoly in an essential commodity vitally important in both peace and war.

In the next place, to ascertain the actual cost of producing such synthetic nitrogen for agricultural purposes will help to crush the world-wide Nitrogen Trust. At present the world price of nitrogen follows along and barely below the price of Chilean nitrate. Thus a monopoly on mineral nitrogen and a monopoly on synthetic nitrogen go hand in hand. If the United States Government can help break this trust team and set the farmers of this country free, it will be one of the greatest blessings that agriculture has ever received.

Commencing with 10,000 tons of pure nitrogen, in such form and combination as the leasing board may specify and as the lessee may subsequently decide to be most attractive to the farmer, the volume of fertilizers produced will increase and will probably increase very rapidly. With the advantages given to the protection of agricultural nitrogen, it is my belief that the lessee will find production profitable to himself and therefore will be induced to increase the annual quantity. In order to dispose of such increased quantity, very naturally the lessee will resort to the reasonable and proper business method of combining nitrogen with phosphoric acid and, perhaps, with potash. Phosphate rock is found in great abundance in the Tennessee River Basin. This can be floated down the river and subjected to electric furnace methods at the time of the year when cheap secondary power is available, and thus phosphoric acid produced more cheaply than it is being produced to-day by the wet process. Then probably the potash shales in that section of the country can be economically treated so as to extract the potash for agricultural purposes and leave valuable by-products of high commercial value.

It is entirely within the range of reasonable possibility that in 10 or 15 years the whole fertilizer practices in America will be revolutionized. The unit cost of plant food will be cut from 25 to 40 per cent. The present annual fertilizer expenditure is about $230,000,000 a year. Deduct 25 per cent of that and you have a saving of $56,000,000. Also the fertilizer will be more concentrated and there will be great saving in freight, in sacks, in hauling, and in handling, thus accomplishing another saving of at least $20,000,000 a year. We can thus reasonably hope to realize an annual saving of $76,000,000 for the users of commercial fertilizer.

INDUSTRIAL RESULTS

But in the field of industry the results will surely be more marvelous and astonishing. The lessee will certainly find it advantageous to set up large establishments for the production of electrochemicals and ferro-alloys. In that section of the country are all the raw materials for the manufacture of chemicals and all steel products. At the same time numerous and valuable by-products will be manufactured. Furthermore, there are 11 valuable dam sites between the Cove Creek Dam and the Wilson Dam, and the construction of the Cove Creek Dam will double the power available at each one of these dam sites. Within the next generation perhaps all of the dams in that stretch of the river will be constructed, and the power will be used not only at and near the dam, but will be sent in various directions to existing cities and towns and to new cities and towns within transmission distance.

Thus the 1,000,000 horsepower to be found along that 300-mile section of the Tennessee River from Cove Creek to Wilson Dam will become a great hive of industry. Perhaps millions of busy and industrious people will gather to use the electric energy there generated. New cities and towns will rise in places now unthought of. Many hundreds of millions of dollars will be invested in new plants and in new enterprises, and proportionate profits will arise from these investments. From the day that earth is broken for the construction of the Cove Creek Dam, which will impound 3,000,000 acre-feet of water stretching over practically 60,000 acres, the largest artificial lake in the world, the eyes of the whole country will be turned upon that section and the footsteps of millions will be directed toward the Tennessee Valley. Agriculture in that section will thrive as never before, producing diversified crops and vegetables to feed the busy millions engaged in construction and in the conduct of industry. While such a picture dazzles the imagination, it is backed up by reason and human probability, and based upon the commanding influence of cheap power. Power is the secret of modern industry. Modern industry is the impelling force of modern civilization. In this Tennessee River Valley, so rich in the quantity and variety of mineral deposits, will spring up some of the greatest industrial activities of the world. With a magnificent climate, with a productive soil, with a strong and virile population to draw from in the surrounding States, with a people devoted to the ideals of our Republic and to the principles of our Constitution, resolved to maintain and preserve order and justice, that section presents a promise of future development and prosperity comparable to what has taken place in a commercial and financial way on Manhattan Island.

IT ALL DEPENDS

But this bright picture will never be realized unless the leasing board uses great wisdom, profound business judgment, and unusual foresight in selecting the person or persons to whom the property may be leased and in prescribing the conditions under which the leases may be made. The financial responsibility of the lessees must be carefully scrutinized. If any newly organized concern, not now in business, offers to lease the property or any part thereof, the stock ownership and control of such new corporation must be thoroughly examined. I very much fear that hostile interests may organize some new corporation with the deliberate purpose of using it to help wreck the entire project, and especially to lease the nitrate plants and to operate them in such a way as to insure the defeat of the fertilizer project. Great caution must be exercised by the leasing board to prevent this result.

H. R. 12097

A bill to authorize the leasing of the Muscle Shoals property, upon certain terms and conditions, to provide for the national defense and for the regulation of interstate commerce, and for other purposes

Be it enacted, etc.—

TITLE I. LEASING PROVISIONS

SECTION 1. That the board of directors hereinafter authorized to be appointed, and hereinafter described merely as the board, shall upon appointment and confirmation, proceed to organize as hereinafter directed, and shall first of all cause to be made a true and correct inventory of all the property now known as the Muscle Shoals project, including the Wilson Dam, described generally as Dam No. 2, nitrate plant No. 1, nitrate plant No. 2, Waco Quarry together with all real estate and all other property belonging to the United States, in said vicinity, used or intended to be used in connection with said properties and generally understood and considered as part and parcel thereof; and shall appraise the value thereof, and said appraisal shall be made upon the basis of the actual present commercial and economic value of said property, and said appraisal shall not include a reasonable allowance in the valuation of Dam No. 2 as a contribution for navigation, nor shall such appraisal include such part of nitrate plants Nos. 1 and 2 as is used, after the fixation of nitrogen, for the oxidation of such nitrogen in converting the same into nitric acid and nitrates for the reason that such parts of said nitrate plants Nos. 1 and 2 are useful only in producing a component part of explosives for ammunition.

That after all said property shall have been appraised, the board is hereby authorized and empowered for and during the period of 6 months after said appraisal shall have been completed and shall have been approved by them, to enter into negotiations with any such person or persons, firm or corporation, that shall indicate a desire to lease said property for a period not exceeding 50 years; and the terms, conditions, and restrictions that shall be included in said lease, together with such other terms, conditions, and restrictions as shall appear to the board to be desirable and proper for the protection of the interests of the public and of the Government and consistent herewith, and in furtherance of the provisions and purposes of this act, shall be as follows:

(a) That the property shall at all times be subject to the absolute right and control of the Government for the production of nitrates as ammunition components, and that nitrate plants Nos. 1 and 2 and/or their capacity equivalent and any other nitrogen-fixation plant or plants, using any method or process of fixation whatsoever that may

be installed by the lessee, together with any additions, alterations, and improvements that may be made upon nitrate plants Nos. 1 and 2, shall at all times during the period of said lease be kept available and in stand-by condition, ready and capable at all such times to be employed by the Government, or for the Government, in the production of nitrates or other explosive ammunition components.

(b) That the lessee or lessees of said property shall be obligated in the strictest terms to the manufacture and sale to the public of a nitrogenous fertilizer complete and ready for use by the farmer by direct application to the soil and crops in concentrated form.

(c) That any lease of the said Muscle Shoals property shall be for the entire plant as the same now exists, but not to include the navigation locks, canals, and appurtenances thereof, and shall not include Dam No. 3 if and when the same shall be constructed, and shall not include the Cove Creek Dam if and when constructed, but the lessee shall be bound in the strictest terms to make additional compensation for increased primary power made available by the construction of Dam No. 3 and/or of Cove Creek Dam, either or both, as shall be hereinafter more specifically set forth, but the board shall operate Dam No. 3 and Cove Creek Dam and their corresponding power houses and plants, as hereinafter directed.

(d) That any such lease as may be entered into shall contain a clause or clauses providing and requiring that the lessee shall return to the Government in cash or account for the same by the reduction in the price of fertilizer or in fertilizer components part or parts, as the board shall decide and declare, for such profits from the sale of power which may result from the temporary and unavoidable discontinuance of the manufacture of fertilizer and/or fertilizer component part or parts, and that such manufacture of fertilizer or fertilizer parts may be discontinued only when there is an excess accumulation of fertilizer stocks unsold in excess of the reasonable and probable demands for such fertilizer, as found and declared by the board, and thereafter when such accumulated stocks shall have been reduced to a reasonable degree the lessee shall be bound to resume the manufacture of such fertilizers.

(e) That any such lease shall provide absolutely and unequivocally for the forfeiture of all rights of the lessee in the event of the failure to keep in good faith its obligations under the terms of the lease, and the lessee shall be bound by the lease to the production and manufacture of fixed nitrogen of a kind and quality and in a form available as plant food and capable of being applied directly to the soil in connection with the growth of crops, of 10,000 tons of fixed nitrogen per year for the first two years of said lease period, and 20,000 tons of fixed nitrogen for the third and fourth years of the lease period, 30,000 tons per year for the fifth and sixth years of the lease period, 40,000 tons per year of fixed nitrogen for the seventh and eighth years of the lease period, and thereafter at least 48,000 tons of fixed nitrogen for each and every year; and no diminution nor reduction of the amount of manufacture and fixation of such nitrogen shall be permitted or allowable under any circumstances, act of God, public enemy, and vis majeur strikes, lockouts and like unavoidable forces only excepted, except and unless the board shall find as a matter of fact that there is an excess amount of such fixed nitrogen on hand and in storage in excess of the reasonable and probable demands for same, and in such event the board shall have the power to permit by written order and authority the reduction in the volume of such nitrogen to be fixed and manufactured for any one year, subject to the condition herein stated that due credit and allowance shall be made for the use of such power otherwise, or the sale of such power, as shall be released by reason of such temporary discontinuance of the manufacture and fixation of nitrogen for agricultural use.

(f) The board shall lease such properties only to such persons, firm, or corporation as shall be, in its judgment, best qualified and prepared to carry out the purposes of this act by the manufacture and sale at reasonable prices of fertilizer and/or fertilizer ingredients in concentrated form, available as plant food and capable of being applied directly to the soil in the production of crops, the manufacture of electrochemicals and ferro-alloys, and for the sale, transmission, and equitable distribution of such surplus power as may be developed at said plant, among the several States, counties, and municipalities within transmission distance. Said fertilizer and/or fertilizer ingredients in concentrated form to contain nitrogen of the gross aggregate volume and weight as are hereinbefore stipulated, shall be produced and sold by the lessee at a profit not exceeding 8 per cent above the actual cost of production, which shall include 6 per cent interest on any fertilizer-plant equipment installed by lessee at its expense, and such profit shall be based upon the cost of the turnover in production, and such cost shall be ascertained annually by a careful and thorough audit of the items of cost entering into the production of such fertilizer and/or fertilizer ingredients in concentrated form as above defined, and such audit shall be made annually by one reputable firm of certified accountants selected by the lessee and by another reputable firm of certified public accountants selected by the board, and these two shall work in cooperation and in conjunction at the same time and place in the auditing of such costs of producing such fertilizer and/or fertilizer ingredients in concentrated form; and in the event of any dispute or differences of opinion as to any item or items entering into such cost or correct method of accounting by the said two firms of certified public accountants employed in the auditing of such costs, a third firm of certified public accountants shall be appointed by the President of the United States upon certificate of such disagreement and difference of opinion, and the facts and figures relating to such dispute or disputes and differences of opinion shall be laid before such third firm of certified public accountants so appointed by the President, at a public hearing at which any person or persons having information of facts relating to such cost of manufacturing such finished fertilizer and/or fertilizer ingredients in concentrated form, shall be heard, and after full hearing and oral argument or discussion by both sides the firm of certified public accountants so appointed by the President shall then and there render its decision and such decision shall be final as to the costs for such manufacture of fertilizer, and by adding 8 per cent thereto the price for the sale of such fertilizer shall be ascertained and fixed and publicly declared, and the actual expenses shall be paid by the lessee.

(g) No lease shall be made to any person, firm, or corporation unless such person, firm, or corporation shall demonstrate by the deposit, subject to the order of the board, of the sum of $10,000,000 in such place and of such forms of securities as shall satisfy the board of the absolute and undisputed solvency and good faith of the lessee, and of the financial ability of the lessee to carry out the terms of its lease; and if the lessee shall fail or neglect to carry out in good faith any of the terms and provisions of such lease, all such money and all such securities representing money as shall have been deposited as herein directed shall be declared forfeited by the board for the use and benefit of the United States, and shall be applied in satisfaction of damages for such breach of contract, which are hereby declared to be liquidated damages, and if said $10,000,000 or any part thereof shall have been invested by the lessee in any buildings, machinery, equipment, or other property used in connection with the property hereby leased, then all such property shall be forfeited to the United States for the purposes herein stated.

(h) If and when Dam No. 3 on the Tennessee River located about 15 miles up said river from Dam No. 2, known as the Wilson Dam, shall be constructed by the United States Government in aid of navigation and of flood relief and for the purpose of increasing the primary power of the power-generating plant now belonging to the United States at Muscle Shoals, then the lessee and the board shall, respectively, appoint competent engineers to ascertain the extent to which the existence of said Dam No. 3 shall increase the primary power at said Dam No. 2, and the lessee shall be bound by the lease to pay to the United States Government the reasonable value of such increase of power as said engineers shall ascertain; and if said two engineers appointed by the board and the lessee, respectively, shall disagree either as to the amount whereby said power shall be increased or as to the value thereof, then the President of the United States upon certificate of such disagreement shall appoint a third engineer who shall hear the facts that shall be presented by both sides, and such facts as shall be presented by any other person having knowledge of the facts, at a public hearing, of which due notice shall be given, and after such hearing and after a full discussion by both sides, such engineer so appointed by the President of the United States shall make decision and shall make public announcement of such decision, and such decision shall be final and binding on both parties, and the actual expenses shall be paid by lessee.

(i) If and when the United States shall build a dam in and across Clinch River in the State of Tennessee, commonly designated as Cove Creek Dam, for the purpose of regulating commerce by promoting navigation in the Tennessee River and its tributaries, and of flood control, and for the purpose of increasing the value of its property now at Muscle Shoals, then the lessee shall be bound by the terms of said lease to pay to the United States Government the reasonable value of such increase of primary power at Wilson Dam as shall result from the construction and operation by the Government of said dam in Cove Creek; and in order to ascertain the extent of such increase of primary power and the reasonable value thereof, the lessee and the board shall, respectively, appoint engineers to study the facts and to ascertain the extent of such increase of primary power, and the value thereof, and in the event of any disagreement by the said engineers so appointed, and upon certificate of such disagreement, the President of the United States is hereby authorized and directed to appoint a third engineer, who shall study the facts and shall at a public hearing hear the facts as the same shall be presented by both sides, including said engineers and any other person that may have knowledge of any facts relating to the question, and at such public hearing said engineer so appointed by the President of the United States shall make and render his decision and make public announcement thereof, and such decision shall be final and binding upon both parties, and the actual expenses shall be paid by lessee.

(j) The lessee shall be bound by the terms of said lease to pay to the United States as rent for the use of said property a sum of money that shall represent 4 per cent per annum upon the present ascertained and appraised value of said property so leased as herein required to be appraised, said payment to be made semiannually, and the lessee shall further be bound to keep the property in good condition and in a good state of repair, reasonable wear and tear and inevitable depreciation by

time excepted and loss by fire, flood, storm, earthquake, or other natural disturbance excepted, and any failure by the lessee to make any of said payments or to pay semiannually for the value of the increase of power by reason of the construction of either Dam No. 3 or the Cove Creek Dam, as herein specified, or for the failure and neglect of the lessee to keep, observe, and perform any of the other conditions and stipulations of the lease, shall operate as a forfeiture of all rights of the lessee under the lease, and upon such forfeiture the United States shall have the right upon the request of the board to institute by the Attorney General of the United States suit in any district court of the United States to declare the rights of the lessee forfeited and to eject the lessee from the premises and to put the United States, by its agent, the board, in possession thereof.

(k) All power used by the lessee for the manufacture of fertilizer and/or fertilizer ingredients in concentrated form shall be charged at the actual cost of production of such power, without including any profit to the lessee but including rental herein required to be paid, and such cost, including the auxiliary steam power employed to increase the volume of primary power, shall be ascertained annually and computed in the manner prescribed for ascertaining the costs of fertilizer and shall constitute one of the elements of such ascertainment of costs. All that portion of the property that shall be used by the lessee for the fixation of atmospheric nitrogen and for the conversion of same into plant food suitable for agricultural use by direct application to the soil and to the crops, shall be separately appraised in the manner herein prescribed for such appraisement, and in computing the costs of fertilizers only the rental herein required to be paid to the Government for such part of the entire plant as shall be used for such purpose shall be included and computed as one of the elements of the cost of such fertilizer and/or fertilizer ingredients in concentrated form, and the same shall not include any profit to lessee on account of the power so employed but including rental on the dam and steam-power plant. The lessee shall employ in its fertilizer-manufacture processes, or in such part of them as may be feasible and practicable, secondary power wherever and whenever available, because of its cheapness, when the board shall find that the use of such cheap secondary power shall reasonably enable the lessee to produce such fertilizer and/or fertilizer ingredients in concentrated form at a cost below what would be the cost if primary power exclusively were employed in producing and manufacturing the same. Primary power is hereby defined to be such power as shall be available from the combined and cooperating sources of water and the steam plant for 95 per cent of the time during any one year.

(l) The lessee shall be authorized and permitted to construct new buildings and to enlarge the steam plant and install other hydrogenerating units upon the land belonging to the Government at Muscle Shoals for use in connection with the fixation of nitrogen and the conversion thereof into fertilizer and/or fertilizer ingredients in concentrated form, and for the manufacture of electrochemicals, and for the manufacture of ferro-alloys, and upon the expiration of the period of the lease, if lessee shall have performed all of its covenants and agreements, the lessee shall be permitted to remove the machinery in said buildings installed and used by it for the purposes aforesaid, or to sell said machinery to the succeeding lessee or to the Government, but the lessee shall not remove the steam plant or generating units installed by it, nor the buildings nor any outside fixtures, equipment, appliances, such as power-transmission lines, railroad tracks, water and gas pipes, and other such property, including warehouses, storage tanks, and storage bins, nor shall the lessee remove any house or machinery installed therein and used for any purpose other than the purposes above stipulated, but all such property belonging to the lessee and constructed upon the land of the Government, and all machinery, equipment, fixtures, and appliances installed and used in connection herewith, shall belong absolutely and in fee simple to the Government as a part of its property, but this shall not include stock in process, nor manufactured products, nor its tools, implements, and instruments, nor its office furniture and fixtures, which lessee may remove.

(m) The board shall have the right and it shall be its duty to advise the lessee from time to time, as it shall see fit, as to the nature, kind, and quality and composition of the fertilizer and/or fertilizer ingredients in concentrated form to be manufactured by lessee, so that same shall be reasonably acceptable to the consuming public, either as a dilute fertilizer or in concentrated form, as the board may require and the trade demand; and if the lessee shall refuse to comply with such advice, and if in consequence of such refusal the fertilizer product or products of the lessee shall not be sold in sufficient volume to justify the continuance of its manufacture in the volume herein required, and if the manufacture of such fertilizer and/or fertilizer ingredients shall thereafter be discontinued by the lessee, the board shall thereupon have the right to request the United States Attorney General on behalf of the Government to institute proceedings in any district court of the United States to declare the lease to be null and void on account of the failure of the principal and paramount purpose of the lease, and in considering such facts as shall be alleged by the Government in the suit, the court may consider the refusal of the lessee to follow the advice of the board in the matters herein mentioned, as some evidence upon the issue of good faith or bad faith of the lessee.

(n) The lessee shall be bound by the terms of the lease to recondition nitrate plant No. 1 so that the same may be effective and useful in the fixation of nitrogen by direct synthesis and to operate the same to capacity for that purpose so as to increase the volume of nitrogen available for agricultural purposes, and the demands of agriculture being supplied, then for industrial purposes. The lessee shall be bound by the terms of the lease to use all of the primary hydraulic power now available at Dam No. 2 for the fixation of atmospheric nitrogen; and if the demands, first, of agriculture and, second, of industry for nitrogen and nitrogen products shall be sufficient to justify the same, the lessee shall also employ the available steam power in connection with secondary hydraulic power to enable the lessee to increase the quantity of such nitrogen and nitrogen products.

(o) The lessee shall be bound to determine by research, whether by means of the electric-furnace methods and industrial chemistry or otherwise, there may be produced on a commercial scale fertilizer compounds of higher grade and at lower prices than farmers and other users of commercial fertilizers have in the past been able to obtain, and to determine whether in a broad way the application of electricity and industrial chemistry may accomplish for the agricultural industry of the Nation what these forces and sciences have accomplished in an economical way for other industries; and the lessee shall be bound to conduct experimental researches to ascertain whether or not by a compound and mutually reacting process or method of manufacturing it is practical and economical to employ as raw materials phosphate rock, and coal, limestone, and potash shale in producing a concentrated fertilizer containing three elements of plant food, to wit, nitrogen, phosphorus, and potash, in useful proportion and in available form, and at reasonable cost.

(p) No lease shall be made to any person, firm, or corporation except to American citizens and to a corporation owned and controlled by American citizens, and the lease shall provide that if at any time the lessee or the lessee corporation shall cease to be under the direct, free, and legal control of American citizens, then all rights under the lease shall immediately cease, and the United States by order of the President shall have the right of reentry and recapture without any compensation whatever to the lessee on any account whatsoever.

(q) The Muscle Shoals property hereby and herein authorized to be leased shall not include the navigation facilities, including the canal, the locks, the lifts, and any other appliances and equipment now existing or hereafter to be installed in aid of navigation, on the Tennessee River, and/or its tributaries.

(r) The sale and distribution of fertilizer and/or fertilizer ingredients shall be subject to and in accordance with general regulations to be formulated and promulgated by the board. In said regulations formulated by the board preference shall be given in the way of sales and deliveries, first to farmers or groups of farmers, or cooperative farm associations, and next to States and State agencies engaged in buying, mixing, selling, and distributing fertilizers for farmers; and any surplus left over after these priority claims are supplied may be sold to fertilizer manufacturers, mixers, and dealers.

(s) The lessee shall be bound upon the requisition of the Secretary of War, or the Secretary of the Navy, to manufacture for and to sell to the United States in peace nitrogenous contents of explosives at a cost not exceeding 4 per cent, based upon the same methods of accounting and calculation as are applied for the ascertaining of the costs and the fixing of the prices of fertilizer and/or fertilizer ingredients. There shall be reserved to the Government of the United States, in case of war or national emergency declared by Congress, the right to take possession of all or any part of the property described and leased by authority of this act for the purpose of manufacturing explosives or the nitrogenous contents of explosives or for other war purposes; but if the Government shall exercise this right it shall pay to the lessee fair and reasonable actual damages that it may suffer by reason of such taking by not including profits or speculative damages, and the amount of such actual damages shall be fixed in proceedings instituted in the United States Court of Claims by the lessee, or its assigns, in accordance with the rules and regulations prescribed by that court for such proceedings.

(t) The lessee shall not charge in the cost of the manufacture of fertilizer and/or fertilizer ingredients any sum of money whatsoever for the use of any patents or patent process belonging to or controlled by it or belonging to or controlled by any officer or agent of it, or belonging to or controlled by any affiliated or subsidiary corporation, or belonging to or controlled by any agent of any subsidiary or affiliated corporation, and the lessee shall not purchase any patent right or process or contract to pay any royalty for the use of any such patent right or patent process without the previous authority and consent of the board as to the amount to be paid for such patent right or patented process or for the right to employ any such patent right or patented process.

(u) The lessee shall be bound by the terms of its lease to submit annually to the board a list of all of the officers, agents, and employees, and charged as a part of the costs of manufacturing fertilizer and/or

fertilizer ingredients, and the board shall have the right to criticize and protest against any salary or salaries that may be paid for said purpose; and if the lessee shall fail to meet the reasonable criticisms of the board and shall fail to satisfy the board as to the reasonableness of any salary or salaries finally fixed, and if the fertilizer and/or fertilizer ingredients manufactured and offered for sale by the lessee are not purchased by the consuming public in sufficiently large volume to take the capacity production of the lessee, and if in consequence thereof a discontinuance of the manufacture of such fertilizer and/or fertilizer ingredients shall result, and if the United States Government by its Attorney General shall at the request of the board institute proceedings to declare the lease null and void for these reasons, along with any other reasons, then such failure of the lessee to reduce the salaries paid to its said officers, agents, and employees, in accordance with the protest of the board, shall be considered by the court as a circumstance bearing upon the good faith or bad faith of the lessee.

(v) The lessee shall have the right to install an addition to the steam plant built along and in connection with nitrate plant No. 2, and to use the power produced by such addition, estimated to be 40,000 horsepower, in connection with secondary power developed at Wilson Dam No. 2, and in such event the lessee shall be bound to pay to the United States the reasonable value of such secondary power thus made available for use as primary power; and if the lessee and the board shall be unable to agree upon the reasonable value of such secondary hydraulic power, they shall each appoint a competent and disinterested engineer, and if these two engineers fail to agree, then the President of the United States shall appoint a third engineer who shall consider the facts and hear arguments presented by both sides and after such hearing, shall, within a reasonable time, render his decision in writing and the same shall be binding, final, and conclusive upon all parties. In like manner if the lessee shall build at its own expense any other steam plant for use in connection with secondary power so as to increase the total volume of primary power, then in such case the lessee shall be bound to pay to the board the reasonable value of such secondary hydraulic power, and in the event of dispute the amount shall be ascertained and fixed in the manner above prescribed.

(w) In general, the parties to the lease, the Attorney General, and the courts shall at all times construe the lease in the light of the powers and duties hereinafter conferred upon the board for the purposes of accomplishing the aims and objects of this act, and it shall be the general purpose and intent of the lease to effectuate and carry out the purposes and reasons for this act as a whole, and of section 124 of national defense act of June 3, 1916.

(x) If and when the board shall have negotiated the terms of a lease with any person, firm, or corporation the parties shall prepare a draft of said lease in conformity with the provisions of this act and of the powers herein contained and of the purposes herein expressed, but before signing, executing, and delivering the same such draft shall be submitted by letter of the board and of the lessee to the Attorney General of the United States, who shall permit inspection of the same and furnish copies thereof to public press or any citizen of the United States who shall apply for same, and if written objections to any portion or portions of said lease shall be filed with the Attorney General within 20 days after the lease shall have been submitted to him, he shall thereupon fix a time, not more than 10 days deferred, and place for a hearing of any and all such objections as may be made and shall within 10 days after such hearing render his conclusions and opinion in writing, and the same shall be binding on all parties, except the proposed lessee, who shall be privileged to refuse to conclude the lease. If negotiations are thereupon renewed, and if a new draft shall be agreed upon between the parties, then like proceedings shall be had before the Attorney General with the like result.

(y) If the board shall fail to negotiate, execute, and conclude a lease for the Muscle Shoals property within six months after its appraisement of said property shall have been completed, then the board shall proceed to operate the plant pursuant to the powers and directions of this act. Nevertheless, if at any time after the expiration of said six months' period and after such operation of said property by the board shall have been commenced, any person, firm, or corporation shall offer to negotiate with the board for the lease of the property subject to all the provisions and limitations herein contained, the board shall consider the offer, and if the board shall be able to agree with the prospective lessee as to the terms and conditions of a lease, then a draft thereof shall be submitted to the Attorney General of the United States and the like proceedings be followed as set forth in the preceding section. If the board shall fail to negotiate a lease and shall refuse to accept the offer of any proposed lessee, the board shall nevertheless report the offer as a part of its annual report and shall state in writing its reasons for refusing the same. If the board shall negotiate, conclude, and execute a lease at any time after the board shall have commenced the operation of the property pursuant to the powers herein contained and subject to all the provisions and limitations herein contained, then the board shall, as a part of said lease, include an agreement on the part of the lessee to pay for the appraised value of any additions or alterations that shall have been made to and upon the property by the board, and to pay for the appraised value of all raw material on hand, of all stock in process and of all manufactured products, and the lessee shall thereupon be put in possession of the property without any interruption whatever to the operation of same as a going concern.

SEC. 2. Organization of the board: There is hereby created a body corporate by the name of the "Muscle Shoals Corporation of the United States" (hereinafter referred to as the corporation). The board of directors first appointed shall be deemed the incorporators and the incorporation shall be held to have been effected from the date of the first meeting of the board.

SEC. 3. (a) The board of directors of the corporation (herein referred to as the board) shall be composed of three members, not more than two of whom shall be members of the same political party, to be appointed by the President, by and with the advice and consent of the Senate. The board shall organize by electing a chairman, vice chairman, and other officers, agents, and employees, and shall proceed to carry out the provisions of this act.

(b) The terms of office of the members first taking office after the approval of this act shall expire as designated by the President at the time of nomination, one at the end of the second year, one at the end of the fourth year, and one at the end of the sixth year, after the date of approval of this act. A successor to a member of the board shall be appointed in the same manner as the original members and shall have a term of office expiring six years from the date of the expiration of the term for which his predecessor was appointed.

(c) Any Member appointed to fill a vacancy in the board occurring prior to the expiration of the term for which his predecessor was appointed shall be appointed for the remainder of such term.

(d) Vacancies in the board so long as there shall be two members in office shall not impair the powers of the board to execute the functions of the corporation, and two of the members in office shall constitute a quorum for the transaction of the business of the board.

(e) Each of the members of the board shall be a citizen of the United States and shall receive compensation at the rate of $50 per day for each day that he shall be actually engaged in the performance of the duties vested in the board, to be paid by the corporation as current expenses, not to exceed, however, 150 days for the first year after the date of the approval of this act, and not to exceed 100 days in any year thereafter. Members of the board shall be reimbursed by the corporation for actual expenses (including traveling and subsistence expenses) incurred by them while in the performance of the duties vested in the board by this act.

(f) No director shall have any financial interest in any public-utility corporation engaged in the business of distributing and selling power to the public nor in any corporation engaged in the manufacture, selling, or distribution of fixed nitrogen, or any ingredients thereof, nor shall any member have any interest in any business that may be adversely affected by the success of the Muscle Shoals project as a producer of concentrated nitrogenous fertilizers.

(g) The board shall direct the exercise of all the powers of the corporation.

TITLE II. OPERATION BY THE BOARD

SECTION. 1. (a) If the board shall have not executed and delivered a lease within the time herein specified, and subject to the terms herein set forth, then in that event only shall the following provision with reference to the operation of the Muscle Shoals property by the board become effective, but in such event the board shall proceed to execute the powers and directions hereinafter conferred.

(b) The chief executive officer of the corporation shall be a general manager, who shall be responsible to the board for the efficient conduct of the business of the corporation. The board shall appoint the general manager, and shall select a man for such appointment who has demonstrated his capacity as a business executive. The general manager shall be appointed to hold office for 10 years, but he may be removed by the board for cause, and his term of office shall end upon repeal of this act, or by amendment thereof expressly providing for the termination of his office. Should the office of general manager become vacant for any reason, the board shall appoint his successor as herein provided.

(c) The general manager shall appoint, with the advice and consent of the board, two assistant managers, who shall be responsible to him, and through him to the board. One of the assistant managers shall be a man possessed of knowledge, training, and experience to render him competent and expert in the production of fixed nitrogen. The other assistant manager shall be a man trained and experienced in the field of production and distribution of hydroelectric power. The general manager may at any time for cause remove any assistant manager and appoint his successor as above provided. He shall immediately thereafter make a report of such action to the board, giving in detail the reason therefor. He shall employ, with the approval of the board, all other agents, clerks, attorneys, employees, and laborers.

(d) The combined salaries of the general manager and the assistant managers shall not exceed the sum of $50,000 per annum, to be apportioned and fixed by the board.

SEC. 2. Except as otherwise specifically provided in this act, the corporation—

(a) Shall have succession in its corporate name.

(b) May sue and be sued in its corporate name, but only for the enforcement of contracts and the defense of property.

(c) May adopt and use a corporate seal, which shall be judicially noticed.

(d) May make contracts, but only as herein authorized.

(e) May adopt, amend, and repeal by-laws.

(f) May purchase or lease and hold such personal property as it deems necessary or convenient in the transaction of its business, and may dispose of any such personal property held by it.

(g) May appoint such officers, employees, attorneys, and agents as are necessary for the transaction of its business, fix their compensation, define generally their duties, require bonds of them and fix the penalties thereof, and dismiss at pleasure any such officer, employee, attorney, or agent, and provide a system of organization to fix responsibility and promote efficiency.

(h) The board shall require that the general manager and the two assistant managers, the secretary and the treasurer, the bookkeeper or bookkeepers, and such other administrative and executive officers as the board may see fit to include, shall execute and file before entering upon their several offices good and sufficient surety bonds, in such amount and with such surety as the board shall approve.

(i) Shall have all such powers as may be necessary or appropriate for the exercise of the powers herein specifically conferred upon the corporation, including the right to exercise the power of eminent domain.

SEC. 3. The board is hereby authorized and directed—

(a) To operate existing plants for fixation of nitrogen in quantity available as plant food by direct application to the soil; to construct, maintain, and operate experimental plants and/or laboratories at or near Muscle Shoals for the manufacture of fertilizer, and/or of any of the ingredients comprising fertilizer, and of any useful and profitable by-products of same.

(b) To arrange with farmers and farm organizations for large-scale practical use of the new forms of fertilizers under conditions permitting an accurate measure of the economic return they produce.

(c) To cooperate with National, State, district, or county experimental stations or demonstration farms, for the use of new forms of fertilizer or fertilizer practices during the initial or experimental period of their introduction.

(d) The board shall manufacture and sell fixed nitrogen at Muscle Shoals by the employment of existing facilities (by modernizing existing plants), or by any other process or processes that in its judgment shall appear wise and profitable for the fixation of atmospheric nitrogen. The fixed nitrogen provided for in this act shall be in such form and in combination with such other useful ingredients as shall make such nitrogen immediately available and practical for use by farmers in application to soil and crops.

(e) The selling price of fertilizer ingredients and nitrogen products shall be fixed in advance from time to time by the board, and all sales shall be direct or through such intermediaries as will contract fixing the maximum prices to be charged the ultimate consumer; and such prices shall be so fixed as to include all the expenses of the board and its clerical and technical force, and of producing, marketing, and distributing such commodities, including 4 per cent on the appraised value of that part of the plant used and 4 per cent on the cost of any additions, alterations, and improvements employed for such purpose, and such 4 per cent shall be paid by the board into the Treasury of the United States. Such sales shall be only in carload and for cash free on board Muscle Shoals, Ala.

(f) The board is authorized to make alterations, modifications, or improvements in existing plants and facilities.

(g) To establish, maintain, and operate laboratories and experimental plants, and to undertake experiments for the purpose of enabling the corporation and private manufacturers of nitrogen products to furnish nitrogen products and kinds of plant food for agricultural purposes in the most economical manner and at the highest standard of efficiency.

(h) The board shall have power to request the assistance and advice of any officer, agent, or employee of any executive department or of any independent office of the United States, to enable the corporation the better to carry out its powers successfully, and the President shall, if in his opinion the public interest, service, and economy so require, direct that such assistance, advice, and service be rendered to the corporation, and any individual that may be by the President directed to render such assistance, advice, and service shall be thereafter subject to the orders, rules, and regulations of the board and of the general manager.

(i) Upon the requisition of the Secretary of War or the Secretary of the Navy to manufacture for and sell at cost to the United States the nitrogenous content of explosives.

(j) Upon the requisition of the Secretary of War the corporation shall allot and deliver without charge to the War Department so much power as shall be necessary in the judgment of said department for use in operation of all locks, lifts, or other facilities in aid of navigation.

(k) To produce, distribute, and sell electric power, as herein particularly specified.

(l) No products of the corporation shall be sold for use outside of the United States, her Territories and possessions, except to the United States Government for the use of its Army and Navy or to its allies in case of war.

SEC. 4. In order to enable the corporation to exercise the powers vested in it by this act—

(a) The exclusive use, possession, and control of the United States nitrate plants Nos. 1 and 2, located, respectively, at Sheffield, Ala., and Muscle Shoals, Ala., together with all real estate and buildings connected therewith, all tools and machinery, equipment, accessories, and materials belonging thereto, and all laboratories and plants used as auxiliaries thereto; the fixed-nitrogen research laboratory, the Waco limestone quarry, in Alabama, and Dam No. 2, located at Muscle Shoals, its power house, and all hydroelectric and operating appurtenances (except the locks), and all machinery, lands, and buildings in connection therewith, and all appurtenances thereof and Dam No. 3 and Cove Creek Dam, if and when constructed, shall be intrusted to the corporation for the purpose of this act, under the provisions of section 4 (a) of this act.

(b) The President of the United States is authorized to provide for the transfer to the corporation of the use, possession, and control of such other real or personal property of the United States as he may from time to time deem necessary and proper for the purposes of the corporation as herein stated.

SEC. 5. (a) The corporation shall maintain its principal office in the immediate vicinity of Muscle Shoals, Ala. The corporation shall be held to be an inhabitant and resident of the northern judicial district of Alabama within the meaning of the laws of the United States relating to venue of civil suits.

(b) The corporation shall at all times keep, maintain, and preserve complete and accurate books of accounts, and all meetings and proceedings of the board.

SEC. 6. (a) The board shall file with the President and with the Congress, in December of each year, a financial statement and a complete report as to the business of the corporation covering the preceding fiscal year. This report shall include the total number of employees and the names, salaries, and duties of those receiving compensation at the rate of more than $2,500 a year. The plants and laboratories may be inspected at any time only on written permission of the board, or its specially authorized agent.

(b) The board shall require a careful and scrutinizing audit and accounting by the General Accounting Office during each governmental fiscal year of operation under this act, and said audit shall be open to inspection to the public at all times, and copies thereof shall be filed in the principal office of the Muscle Shoals Corporation at Muscle Shoals in the State of Alabama. Once during each fiscal year the President of the United States shall have power, and it shall be his duty, upon the written request of at least two members of the board, to appoint a firm of certified public accountants of his own choice and selection which shall have free and open access to all books, accounts, plants, warehouses, offices, and all other places, and records, belonging to or under the control of or used by the corporation in connection with the business authorized by this act. And the expenses of such audit so directed by the President shall be paid by the board and charged as part of the operating expenses of the corporation.

SEC. 7. The board is hereby empowered and authorized to sell the surplus power not used in its operations and for operation of locks and other works generated at said steam plant and said dam to States, counties, municipalities, corporations, partnerships, or individuals, according to the policies hereinafter set forth, and to carry out said authority the board is authorized to enter into contracts for such sale for a term not exceeding 10 years and in the sale of such current by the board it shall give preference to States, counties, or municipalities purchasing said current for distribution to citizens and customers: *Provided further*, That all contracts made with private companies or individuals for the sale of power, which power is to be resold for a profit, shall contain a provision authorizing the board to cancel said contract upon two years' notice in writing, if the board needs said power in its own manufacturing operations or to supply the demands of States, counties, or municipalities.

SEC. 8. It is hereby declared to be the policy of the Government to distribute by sale at reasonable prices the surplus power generated at Muscle Shoals equitably among the States, counties, and municipalities within transmission distance of Muscle Shoals, and the net proceeds of such sale shall be paid into the Treasury of the United States.

SEC. 9. In order to place the board upon a fair basis for making such contracts and for receiving bids for the sale of such power, it is hereby expressly authorized, either from appropriations made by Congress or from funds secured from the sale of such power, to construct, lease, or authorize the construction of transmission lines within transmission distance in any direction from said Dam No. 2, the Cove Creek Dam, and Dam No. 3 and said steam plant: *Provided*, That if any State, county, municipality, or other public or cooperative organization of citizens or farmers, not organized or doing business for profit, but for the purpose of supplying electricity to its own citizens or members, or any two or more of such municipalities or organizations, shall construct or agree to construct a transmission line to Muscle Shoals, the board is hereby authorized and directed to

contract with such State, county, municipality, or other organization, or two or more of them, for the sale of electricity for a term not exceeding 30 years, and in any such case the board shall give to such State, county, municipality, or other organization ample time to fully comply with any local law now in existence or hereafter enacted providing for the necessary legal authority for such State, county, municipality, or other organization to contract with the board for such power: *Provided further,* That all contracts entered into between the corporation and any municpality or other political subdivision shall provide that the electric power shall be sold and distributed to the ultimate consumer without discrimination as between consumers of the same class, and such contract shall be void if a discriminatory rate, rebate, or other special concession is made or given to any consumer or user by the municipality or other political subdivision: *And provided further,* That any surplus power not so sold as above provided to States, counties, municipalities, or other said organizations, before the board shall sell the same to any person or corporation engaged in the distribution and resale of electricity for profit, it shall require said person or corporation to agree that any resale of such electric power by said person or corporation shall be sold to the ultimate consumer of such electric power at a price that shall not exceed an amount fixed as reasonable, just, and fair by the appropriate State utility commission; and in case of any such sale if an amount is charged the ultimate consumer which is in excess of the price so deemed to be just, reasonable, and fair by the appropriate State utility commission, the contract for such sale between the board and such distributor of electricity shall be declared null and void and the same shall be canceled by the board.

SEC. 10. Two per cent of the gross proceeds received by the board for the sale of power generated at Dam No. 2, or from the steam plant located in that vicinity, or from any other steam plant hereafter constructed in the State of Alabama, shall be paid to the State of Alabama; and 2 per cent of the gross proceeds from the sale of power generated at Cove Creek Dam, hereinafter provided for, shall be paid to the State of Tennessee. Upon the completion of said Cove Creek Dam the board shall ascertain how much excess power is thereby generated at Dam No. 2, and from the gross proceeds of the sale of such excess power 1 per cent shall be paid to the State of Alabama and 1 per cent to the State of Tennessee. In ascertaining the gross proceeds from the sale of such power upon which a percentage is paid to the States of Alabama and Tennessee the board shall not take into consideration the proceeds of any power sold or delivered to the Government of the United States, or any department of the Government of the United States or used in the operation of any navigation facilities or locks on the Tennessee River, or for any experimental purpose, or used for the manufacture of fertilizer or any of the ingredients thereof, or for any other governmental purpose. The net proceeds derived by the board from the sale of power and any of the products manufactured by the corporation, after deducting the cost of operation, maintenance, depreciation, and an amount deemed by the board as necessary to withhold as operating capital, shall be paid into the Treasury of the United States at the end of each calendar year.

TITLE III. SUPPLEMENTAL PROVISIONS

SECTION 1. The Secretary of War is hereby empowered and directed to complete Dam No. 2 at Muscle Shoals, Ala., and the steam plant at nitrate plant No. 2, in the vicinity of Muscle Shoals, by installing in Dam No. 2 the additional power units according to the plans and specifications of said dam, and the additional power unit in the steam plant at nitrate plant No. 2: *Provided,* That the Secretary of War shall not install the additional power unit in said steam plant until, after investigation, he shall be satisfied that the foundation of said steam plant is sufficiently stable or has been made sufficiently stable to sustain the additional weight made necessary by such installation.

SEC. 2. The Secretary of War is hereby authorized, with appropriations hereafter to be made available by the Congress, to construct, either directly or by contract to the lowest responsible bidder, after due advertisement, a dam in and across Clinch River in the State of Tennessee, which has by long usage become known and designated as the Cove Creek Dam, according to the latest and most approved designs of the Chief of Engineers, including its power house and hydroelectric installations and equipment for the generation of at least 200,000 horsepower, in order that the waters of the said Clinch River may be impounded and stored above said dam for the purpose of increasing and regulating the flow of the Clinch River and the Tennessee River below, so that the maximum amount of primary power may be developed at Dam No. 2 and at any and all other dams below the said Cove Creek Dam.

SEC. 3. In order to enable and empower the Secretary of War to carry out the authority hereby conferred in the most economical and efficient manner, he is hereby authorized and empowered in the exercise of the powers of national defense in aid of navigation, and in the control of the flood waters of the Tennessee and Mississippi Rivers, constituting channels of interstate commerce, to exercise the right of eminent domain and to condemn all lands, easements, rights of way, and other area necessary in order to obtain a site for said Cove Creek Dam, and the flowage rights for the reservoir of water above said dam and to negotiate and conclude contracts with States, counties, municipalities, and all State agencies and with railroads, railroad corporations, common carriers, and all public-utility commissions and any other person, firm, or corporation, for the relocation of railroad tracks, highways, highway bridges, mills, ferries, electric-light plants, and any and all other properties, enterprises, and projects whose removal may be necessary in order to carry out the provisions of this act. When said Cove Creek Dam and transportation facilities and power house shall have been completed, the possession, use, and control thereof shall be intrusted to the corporation for use and operation in connection with the general Muscle Shoals project and to promote flood control and navigation in the Tennessee River and in the Clinch River.

SEC. 4. The Secretary of War is hereby authorized, with appropriation hereafter to be made available by the Congress, to construct either directly or by contract to the lowest responsible bidder, after due advertisement, a dam in and across the Tennessee River at the site designated by the Chief of Engineers of the United States Army, as Dam No. 3, in aid of navigation and for increasing the value of the power to be developed at Wilson Dam No. 2 and to install a power house and such hydroelectric generating machinery therein as may be justified, all according to the latest and most approved plans of the Chief of Engineers of the United States Army, and the disposal of the power so developed shall be subject to the board; and in order to enable the Secretary of War to carry out this authority in the most economical and efficient manner he is hereby authorized and empowered to exercise in the interest of national defense and in aid of navigation as an incident to interstate commerce the right of eminent domain and to condemn all such lands, rights of way, and other area as may be reasonably necessary in order to obtain a site for said dam and for the ponded water above said dam and to conclude contracts with States, counties, municipalities, and all State agencies, and with railroads, railroad corporations, common carriers, and all public-utilities commissions, and all other persons, firms, or corporations in any way interested in said dam site and pondage area.

SEC. 5. The corporation, as an instrumentality and agency of the Government of the United States for the purpose of executing its constitutional powers, shall have access to the Patent Office of the United States for the purpose of studying, ascertaining, and copying all methods, formulas, and scientific information (not including access to pending applications for patents) necessary to enable the corporation to use and employ the most efficacious and economical process for the production of fixed nitrogen, or any essential ingredient of fertilizer, and any patentee whose patent rights may have been thus in any way copied, used, or employed by the exercise of this authority by the corporation shall have as the exclusive remedy a cause of action to be instituted and prosecuted on the equity side of the appropriate district court of the United States for the recovery of reasonable compensation. The Commissioner of Patents shall furnish to the corporation, at its request and without payment of fees, copies of documents on file in his office.

SEC. 6 (a) All general penal statutes relating to the larceny, embezzlement, conversion, or to the improper handling, retention, use, or disposal of public moneys or property of the United States shall apply to the moneys and property of the corporation and to moneys and properties of the United States intrusted to the corporation.

(b) Any person who, with intent to defraud the corporation, or to deceive any director or officer of the corporation or any officer or employee of the United States (1) makes any false entry in any book of the corporation, or (2) makes any false report or statement for the corporation shall, upon conviction thereof, be fined not more than $10,000 or imprisoned not more than five years, or both.

(c) Any person who shall receive any compensation, rebate, or reward, or shall enter into any conspiracy, collusion, or agreement, express or implied, with intent to defraud the corporation or wrongfully and unlawfully to defeat its purposes, shall, on conviction thereof, be fined not more than $5,000 or imprisoned not more than five years, or both.

SEC. 7. In order that the board may not be delayed in carrying out the program authorized herein the sum of $10,000,000 is hereby authorized to be appropriated for that purpose from the Treasury of the United States, of which not to exceed $2,000,000 shall be made available with which to begin construction of Cove Creek Dam during the calendar year 1931.

SEC. 8. That all appropriations necessary to carry out any of the provisions of this act are hereby authorized. This act may be cited as "the Muscle Shoals act of 1930."

SEC. 9. That all acts or parts of acts in conflict herewith are hereby repealed.

SEC. 10. That this act shall take effect immediately.

SEC. 11. The right to alter, amend, or repeal this act is hereby expressly declared and reserved, but not to impair the obligation of any contract that may have been entered into pursuant to the powers herein conferred upon the board.

EXTENSION OF REMARKS

Mr. SCHAFER of Wisconsin. Mr. Speaker, I ask unanimous consent to extend my remarks in the RECORD on the question of

prohibition in the State of Washington, and to include in my remarks a short extract from the platform recently adopted by the Republican Party of that State.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to extend his remarks in the RECORD on the subject of prohibition in the State of Washington, and to print in connection therewith extracts from the Republican platform of the State of Washington. Is there objection?

Mr. PATTERSON. Reserving the right to object, Mr. Speaker, I wish to ask my good friend if he has consulted the gentleman from Massachusetts about including this platform?

Mr. SCHAFER of Wisconsin. I have not consulted the gentleman from Massachusetts. I have had high hopes that we might have similar action taken by the Republican Party in Massachusetts so I could make the same request with reference to that State.

Mr. PATTERSON. Maybe he would make the request himself in case that were to happen, and I withdraw any objection.

Mr. SLOAN. Mr. Speaker, I reserve the right to object. I do not see any Member of this House from the State of Washington present, and perhaps there should be one person who defends his State against this particular and very frequent, though not unexpected, attack, and I suggest that the gentleman make this request when there is a Washington Member of the Congress present. This is about the close of the day——

Mr. SCHAFER of Wisconsin. The gentleman does not believe that any Republican Member of Congress would object to incorporating in the CONGRESSIONAL RECORD a portion of the Republican platform upon which he is going to run?

Mr. SLOAN. I would rather let them settle that. Possibly if we would take care of Wisconsin and Nebraska we would be doing fairly well without taking charge of the far-off States along the coast. Will the gentleman withhold his request until to-morrow?

Mr. SCHAFER of Wisconsin. In view of the statement of the gentleman I withdraw my request at this time so that I may have an opportunity to interview the Republican Members of Congress from the State of Washington to ascertain whether they are going to repudiate the platform declarations of their party in their own State with reference to prohibition.

Mr. SLOAN. That is thoroughly satisfactory to me.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and under the rule referred as follows:

S. 35. An act for the relief of James W. Nugent; to the Committee on Military Affairs.

S. 107. An act establishing additional land offices in the States of Montana, Oregon, South Dakota, Idaho, New Mexico, Colorado, and Nevada; to the Committee on the Public Lands.

S. 308. An act for the relief of August Mohr; to the Committee on Claims.

S. 1164. An act authorizing and directing the Secretary of Agriculture to investigate all phases of crop insurance; to the Committee on Agriculture.

S. 1270. An act providing for the construction of roads on the Fort Belknap Indian Reservation in the State of Montana; to the Committee on Indian Affairs.

S. 1536. An act for the relief of Blanch Broomfield; to the Committee on Claims.

S. 1697. An act for the relief of Peter C. Hains, jr.; to the Committee on Military Affairs.

S. 1785. An act providing for the construction of roads on the Blackfeet Indian Reservation in the State of Montana; to the Committee on Indian Affairs.

S. 1918. An act for the relief of Irene Strauss; to the Committee on Claims.

S. 1985. An act providing against misuse of official badges; to the Committee on the Judiciary.

S. 2231. An act to reserve certain lands on the public domain in Arizona for the use and benefit of the Papago Indians, and for other purposes; to the Committee on Indian Affairs.

S. 2332. An act for the relief of Milburn Knapp; to the Committee on Claims.

S. 2334. An act for the relief of Wallace E. Ordway; to the Committee on Claims.

S. 2895. An act authorizing the bands or tribes of Indians known and designated as the Middle Oregon or Warm Springs Tribe of Indians of Oregon, or either of them, to submit their claims to the Court of Claims; to the Committee on Indian Affairs.

S. 3068. An act to amend section 355 of the Revised Statutes; to the Committee on the Judiciary.

S. 3156. An act providing for the final enrollment of the Indians of the Klamath Indian Reservation in the State of Oregon; to the Committee on Indian Affairs.

S. 3165. An act conferring jurisdiction upon the Court of Claims to hear, consider, and report upon a claim of the Choctaw and Chickasaw Indian nations or tribes for fair and just compensation for the remainder of the leased district lands; to the Committee on Indian Affairs.

S. 3490. An act to define, regulate, and license real-estate brokers, and real-estate salesmen; to create a real-estate commission in the District of Columbia; to protect the public against fraud in real-estate transactions, and for other purposes; to the Committee on the District of Columbia.

S. 3581. An act authorizing the Secretary of the Interior to arrange with States for the education, medical attention, and relief of distress of Indians, and for other purposes; to the Committee on Indians Affairs.

S. 3712. An act to establish a military record for Charles Morton Wilson; to the Committee on Military Affairs.

S. 4002. An act providing for the construction of roads on the Rocky Boy Indian Reservation in the State of Montana; to the Committee on Indian Affairs.

S. 4195. An act for the relief of Samuel W. Brown; to the Committee on War Claims.

S. 4205. An act to amend paragraph (6) of section 5 of the interstate commerce act, as amended; to the Committee on Interstate and Foreign Commerce.

S. 4235. An act to prohibit the sending of unsolicited merchandise through the mails; to the Committee on Post Offices and Post Roads.

S. 4242. An act to fix the salaries of the commissioners of the District of Columbia; to the Committee on the District of Columbia.

S. 4531. An act authorizing a survey by the Public Health Service in connection with the control of cancer; to the Committee on Interstate and Foreign Commerce.

S. J. Res. 76. Joint resolution authorizing the Secretary of the Treasury to purchase farm-loan bonds issued by Federal land banks; to the Committee on Banking and Currency.

S. J. Res. 168. Joint resolution declaring the transfer of the St. Charles Bridge over the Missouri River on National Highway No. 40 not a sale; to the Committee on the Judiciary.

ENROLLED BILLS SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H. R. 293. An act for the relief of James Albert Couch, otherwise known as Albert Couch;

H. R. 567. An act for the relief of Rolla Duncan;

H. R. 591. An act for the relief of Howard C. Frink;

H. R. 649. An act for the relief of Albert E. Edwards;

H. R. 666. An act authorizing the Secretary of the Treasury to pay to Eva Broderick for the hire of an automobile by agents of Indian Service;

H. R. 833. An act for the relief of Verl L. Amsbaugh;

H. R. 1198. An act to authorize the United States to be made a party defendant in any suit or action which may be commenced by the State of Oregon in the United States District Court for the District of Oregon for the determination of the title to all or any of the lands constituting the beds of Malheur and Harney Lakes in Harney County, Oreg., and lands riparian thereto, and to all or any of the waters of said lakes and their tributaries, together with the right to control the use thereof, authorizing all persons claiming to have an interest in said land, water, or the use thereof to be made parties or to intervene in said suit or action, and conferring jurisdiction on the United States courts over such cause;

H. R. 1837. An act for the relief of Kurt Falb;

H. R. 2152. An act to promote the agriculture of the United States by expanding in the foreign field the service now rendered by the United States Department of Agriculture in acquiring and diffusing useful information regarding agriculture, and for other purposes;

H. R. 2604. An act for the relief of Don A. Spencer;

H. R. 5259. An act to amend section 939 of the Revised Statutes;

H. R. 5262. An act to amend section 829 of the Revised Statutes of the United States;

H. R. 5266. An act to amend section 649 of the Revised Statutes (U. S. C., title 28, sec. 773);

H. R. 5268. An act to amend section 1112 of the Code of Law for the District of Columbia;

H. R. 6083. An act for the relief of Goldberg & Levkoff;

H. R. 6084. An act to ratify the action of a local board of sales control in respect to contracts between the United States and Goldberg & Levkoff;

H. R. 6142. An act to authorize the Secretary of the Navy to lease the United States naval destroyer and submarine base, Squantum, Mass.;

H. R. 6151. An act to authorize the Secretary of War to assume the care, custody, and control of the monument to the memory of the soldiers who fell in the Battle of New Orleans at Chalmette, La., and to maintain the monument and grounds surrounding it;

H. R. 6414. An act authorizing the Court of Claims of the United States to hear and determine the claim of the city of Park Place, heretofore an independent municipality but now a part of the city of Houston, Tex.;

H. R. 7333. An act for the relief of Allen Nichols;

H. R. 8854. An act for the relief of William Taylor Coburn;

H. R. 9154. An act to provide for the construction of a revetment wall at Fort Moultrie, S. C.;

H. R. 9334. An act to provide for the study, investigation, and survey, for commemorative purposes, of the battle field of Saratoga, N. Y.;

H. R. 10082. An act to authorize the attendance of the Marine Band at the national encampment of the Grand Army of the Republic at Cincinnati, Ohio;

H. R. 10877. An act authorizing appropriations to be expended under the provisions of sections 4 to 14 of the act of March 1, 1911, entitled "An act to enable any State to cooperate with any other State or States, or with the United States, for the protection of the watersheds of navigable streams, and to appoint a commission for the acquisition of lands for the purpose of conserving the navigability of navigable rivers," as amended;

H. R. 11703. An act granting the consent of Congress to the city of Olean, N. Y., to construct, maintain, and operate a free highway bridge across the Allegheny River at or near Olean, N. Y.; and

H. J. Res. 343. Joint resolution to supply a deficiency in the appropriation for miscellaneous items, contingent fund of the House of Representatives.

The Speaker announced his signature to enrolled bills of the Senate of the following titles:

S. 218. An act to place Norman A. Ross on the retired list of the Navy;

S. 286. An act for the relief of Thelma Phelps Lester;

S. 888. An act for the relief of Francis J. McDonald;

S. 1309. An act granting six months' pay to Mary A. Bourgeois;

S. 1572. An act for the relief of the Allegheny Forging Co.;

S. 1578. An act to extend the times for commencing and completing the construction of a bridge across the Illinois River, at or near Peoria, Ill.;

S. 2245. An act for the relief of A. H. Cousins;

S. 2524. An act for the relief of J. A. Lemire;

S. 3189. An act for the relief of the State of South Carolina for damage to destruction of roads and bridges by floods in 1929;

S. 3586. An act for the relief of George Campbell Armstrong;

S. 3910. An act to authorize the President to appoint Capt. Charles H. Harlow a commodore on the retired list;

S. 4182. An act granting the consent of Congress to the county of Georgetown, S. C., to construct, maintain, and operate a bridge across the Pee Dee River and a bridge across the Waccamaw River, both at or near Georgetown, S. C.; and

S. 4481. An act authorizing the exchange of certain real properties situated in Mobile, Ala., between the Secretary of Commerce on behalf of the United States Government and the Gulf, Mobile & Northern Railroad Co., by the appropriate conveyances containing certain conditions and reservations.

ADJOURNMENT

Mr. McLEOD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 4 o'clock and 45 minutes p. m.) the House adjourned until to-morrow, Tuesday, May 27, 1930, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Tuesday, May 27, 1930, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON THE DISTRICT OF COLUMBIA—SUBCOMMITTEE ON EDUCATION

Room 452, House Office Building (8 p. m.)

To provide an elective school board for the District of Columbia (H. R. 1413).

To amend the teachers' retirement act (H. R. 10470).

To amend the teachers' salary act (H. R. 10656).

To refund salaries to assistant directors of public schools (H. R. 12158).

To authorize use of old Business High School (S. 4227).

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

Second deficiency bill.

COMMITTEE ON NAVAL AFFAIRS

(10.30 a. m.)

Authorizing the Secretary of the Navy to accept, without cost to the Government of the United States, a lighter-than-air base near Sunnyvale, in the county of Santa Clara, State of California, and construct necessary improvements thereon (H. R. 6810).

Authorizing the Secretary of the Navy to accept a free site for a lighter-than-air base at Camp Kearny, near San Diego, Calif., and construct necessary improvements thereon (H. R. 6808).

COMMITTEE ON BANKING AND CURRENCY

(2.30 p. m.)

To authorize the Committee on Banking and Currency to investigate chain and branch banking (H. Res. 141).

COMMITTEE ON MILITARY AFFAIRS

(10.30 a. m.)

To authorize the design, construction, and procurement of one metal-clad airship of approximately 100 (long) tons gross lift and of a type suitable for transport purposes for the Army Air Corps (H. R. 12199).

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

499. A letter from the acting Secretary of War, transmitting report from the Chief of Engineers on preliminary examination and survey of Broadkill River, Del.; to the Committee on Rivers and Harbors.

500. A letter from the acting Secretary of War, transmitting report from the Chief of Engineers on Neshaminy Creek, Pa., covering navigation, flood control, power development, and irrigation (H. Doc. No. 429); to the Committee on Rivers and Harbors and ordered to be printed.

501. A letter from the acting Secretary of War, transmitting report from the Chief of Engineers on the St. Francis River, Ark. (backwater area), covering navigation, flood control, power development, and irrigation; this report is supplementary to the one printed in House Document No. 159, Seventy-first Congress, second session (H. Doc. No. 430); to the Committee on Rivers and Harbors and ordered to be printed; illustrations.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. HILL of Alabama: Committee on Military Affairs. H. R. 8140. A bill to provide for the policing of military roads leading out of the District of Columbia, and for other purposes; with amendment (Rept. No. 1654). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Alabama: Committee on Military Affairs. S. 174. An act to provide for the establishment of a branch home of the National Home for Disabled Volunteer Soldiers in one of the Southeastern States; with amendment (Rept. No. 1655). Referred to the Committee of the Whole House on the state of the Union.

Mr. McFADDEN: Committee on Banking and Currency. S. 485. An act to amend section 9 of the Federal reserve act and section 5240 of the Revised Statutes of the United States, and for other purposes; without amendment (Rept. No. 1656). Referred to the House Calendar.

Mr. McFADDEN: Committee on Banking and Currency: S. 486. An act to amend section 5153 of the Revised Statutes, as amended; without amendment (Rept. No. 1657). Referred to the House Calendar.

Mr. GOLDER: Committee on Banking and Currency. (S. 3627. An act to amend the Federal reserve act so as to enable national banks voluntarily to surrender the right to exercise trust powers and to relieve themselves of the necessity of complying with the laws governing banks exercising such powers, and for other purposes; without amendment (Rept. No. 1658). Referred to the House Calendar.

Mr. McFADDEN: Committee on Banking and Currency: S. 4079. An act to amend section 4 of the Federal reserve act; without amendment (Rept. No. 1659). Referred to the House Calendar.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. IRWIN: Committee on Claims. S. 917. An act for the relief of Margaret Diederich; without amendment (Rept. No. 1638). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 1571. An act for the relief of William K. Kennedy; without amendment (Rept. No. 1639). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 1849. An act for the relief of Francis B. Kennedy; without amendment (Rept. No. 1640.) Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 1851. An act for the relief of S. Vaughan Furniture Co., Florence, S. C.; without amendment (Rept. No. 1641). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 2013. An act for the relief of Germaine M. Finley; without amendment (Rept. No. 1642). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 2774. An act for the relief of Nick Rizou Theodore; without amendment (Rept. No. 1643). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 3553. An act for the relief of R. A. Ogee, sr.; without amendment (Rept. No. 1644). Referred to the Committee of the Whole House.

Mr. DOXEY: Committee on Claims. H. R. 1514. A bill for the relief of the estate of Moses M. Bane; without amendment (Rept. No. 1645). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 6652. A bill for the relief of William Knourek; without amendment (Rept. No. 1646). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 8818. A bill for the relief of James M. Pace; without amendment (Rept. No. 1647). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 8835. A bill for the relief of Harry Harsin; without amendment (Rept. No. 1648). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 9035. A bill for the relief of Walter L. Turner; without amendment (Rept. No. 1649). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 9122. A bill for the relief of E. F. Zannetta; without amendment (Rept. No. 1650). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims: H. R. 9262. A bill for the relief of the Pocahontas Fuel Co. (Inc.); without amendment (Rept. No. 1651). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 9780. A bill for the relief of J. P. Moynihan; without amendment (Rept. No. 1652). Referred to the Committee of the Whole House.

Mr. BUTLER: Committee on Claims. H. R. 10503. A bill for the relief of Portland Electric Power Co.; with amendment (Rept. No. 1653). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. EVANS of California: A bill (H. R. 12612) authorizing the head of any executive department or officer to furnish copies of books, records, and papers within his custody, and permit the admission in evidence of such copies; to the Committee on the Judiciary.

By Mr. PRITCHARD: A bill (H. R. 12613) to authorize the Postmaster General to impose demurrage charges on undelivered collection-on-delivery parcels; to the Committee on the Post Office and Post Roads.

By Mr. REID of Illinois: A bill (H. R. 12614) granting the consent of Congress to the city of Aurora, Ill., to construct, maintain, and operate a free highway bridge from Stolps Island in the Fox River, at Aurora, Ill., to connect with the existing highway bridge across the Fox River north of Stolps Island; to the Committee on Interstate and Foreign Commerce.

By Mr. SIMMS: A bill (H. R. 12615) to render the present Indian Pueblo governments more effective and efficient and to aid them in the administration of justice, law, and order in the pueblos of New Mexico; to the Committee on Indian Affairs.

By Mr. VINSON of Georgia: A bill (H. R. 12616) granting the consent of Congress to the State of Georgia and the counties of Wilkinson, Washington, and Johnson to construct, maintain, and operate a free highway bridge across the Oconee River at or near Balls Ferry, Ga.; to the Committee on Interstate and Foreign Commerce.

By Mr. YON: A bill (H. R. 12617) granting the consent of Congress to the State of Florida, through its highway department, to construct a bridge across the Choctawhatchee River east of Freeport, Fla.; to the Committee on Interstate and Foreign Commerce.

By Mr. CELLER: A bill (H. R. 12618) to fix the salaries of certain judges of the United States; to the Committee on the Judiciary.

By Mr. PATMAN: Resolution (H. Res. 226) to establish a select committee to investigate certain interests charged with depressing and holding down the price of cottonseed oil; to the Committee on Rules.

By Mr. ANDRESEN: Joint resolution (H. J. Res. 348) proposing an amendment to the Constitution of the United States providing for ratification of proposed amendments to the Constitution of the United States by the people of the several States; to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. BUCKBEE: A bill (H. R. 12619) granting an increase of pension to Annie L. Fox; to the Committee on Invalid Pensions.

By Mr. GAVAGAN: A bill (H. R. 12620) for the relief of Samuel Charles Hampton; to the Committee on Naval Affairs.

By Mr. GOODWIN: A bill (H. R. 12621) granting a pension to John Shirmer; to the Committee on Invalid Pensions.

By Mr. HANCOCK: A bill (H. R. 12622) granting an increase of pension to Melissa Crossett; to the Committee on Invalid Pensions.

By Mr. HOGG: A bill (H. R. 12623) granting an increase of pension to Mary E. S. Baker; to the Committee on Invalid Pensions.

By Mr. HOOPER: A bill (H. R. 12624) granting a pension to Martha McLeod; to the Committee on Invalid Pensions.

By Mr. HOPKINS: A bill (H. R. 12625) granting a pension to Mary E. Weddle; to the Committee on Invalid Pensions.

By Mr. KORELL: A bill (H. R. 12626) granting an increase of pension to Lena E. Potter; to the Committee on Invalid Pensions.

By Mrs. LANGLEY: A bill (H. R. 12627) granting a pension to Benjamin F. Kelley; to the Committee on Pensions.

By Mr. MENGES: A bill (H. R. 12628) granting an increase of pension to Agnes Snyder; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12629) granting an increase of pension to Ernestine W. Shetrone; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12630) granting an increase of pension to Philomena M. Wolf; to the Committee on Invalid Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 12631) granting a pension to Sarah Margaret Ethridge; to the Committee on Invalid Pensions.

By Mr. PALMISANO: A bill (H. R. 12632) for the relief of Frank J. Michel and Barbara M. Michel; to the Committee on Claims.

Also, a bill (H. R. 12633) for the relief of Sophia Mary Klima; to the Committee on Claims.

Also, a bill (H. R. 12634) for the relief of Katie Kroart; to the Committee on Claims.

By Mr. FRANK M. RAMEY: A bill (H. R. 12635) granting a pension to Margaret M. Hammond; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12636) for the relief of Percy A. Casserleigh; to the Committee on Claims.

By Mr. ROWBOTTOM: A bill (H. R. 12637) granting an increase of pension to Susan King; to the Committee on Invalid Pensions.

By Mr. SWICK: A bill (H. R. 12638) granting an increase of pension to Kate Fetter; to the Committee on Invalid Pensions.

Also, a bill (H. R. 12639) granting an increase of pension to Ibbie Shindel; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

7379. By Mr. FITZGERALD: Petition of Ernest O. Brown and 16 other citizens of Dayton, Montgomery County, Ohio, petitioning for a repeal or modification of the prohibition laws; to the Committee on the Judiciary.

7380. By Mr. HUDSON: Petition of the board of directors of the Michigan State Farm Bureau, Lansing, Mich., commending the stand taken by Alexander Legge, of the Federal

Farm Board, and Secretary of Agriculture, Hon. Arthur M. Hyde, before the annual meeting of the Chamber of Commerce of the United States at Washington the week ending May 3, 1930; to the Committee on Agriculture.

7381. By Mr. KORELL: Petition of citizens of Multnomah County, Oreg., favoring the passage of House bill 8976; to the Committee on Pensions.

7382. By Mr. MEAD: Petition of Woman's Christian Temperance Union, of Hamburg, N. Y., re legislation for Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

7383. Also, petition of National League of Women Voters, favoring legislation on maternal and child hygiene; to the Committee on Interstate and Foreign Commerce.

7384. Also, petition of Woman's Christian Temperance Union, of Woodlawn Beach, N. Y., re legislation for Federal supervision of motion pictures; to the Committee on Interstate and Foreign Commerce.

7385. By Mrs. NORTON: Petition of William Peters and others, of Jersey City, N. J., against proposed calendar change of weekly cycle; to the Committee on Foreign Affairs.

7386. By Mr. SMITH of West Virginia: Resolution adopted by the State Bridge Commission of West Virginia, praying for the elimination of toll bridges in West Virginia, and that in the future the Congress of the United States shall not issue franchises for construction thereof within or partly within said State; to the Committee on Interstate and Foreign Commerce.

7387. Also, resolution adopted by the district convention of the ninth district of the American Legion, Department of West Virginia, held at Elkins, W. Va., on May 22, 1930, urging the amendment of certain sections of House bill 10381; to the Committee on World War Veterans' Legislation.

7388. By Mr. SULLIVAN of Pennsylvania: Petition of the firm of Watson & Freeman, Pittsburgh, Pa., protesting against amending House bill 9433, the Federal farm loan act; to the Committee on Banking and Currency.

7389. By Mr. WOLVERTON of West Virginia: Petition of Daniel N. McCartney, of Silica, W. Va., urging Congress to take favorable action of the Patman bill, providing for payment of veterans' adjusted compensation certificates; to the Committee on Ways and Means.

SENATE

TUESDAY, *May 27, 1930*

(Legislative day of Monday, May 26, 1930)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Farrell, its enrolling clerk, announced that the House had passed the joint resolution (S. J. Res. 77) providing for the closing of Center Market in the city of Washington, with an amendment, in which it requested the concurrence of the Senate.

The message also announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H.R. 4015. An act to provide for the revocation and suspension of operators' and chauffeurs' licenses and registration certificates; to require proof of ability to respond in damages for injuries caused by the operation of motor vehicles; to prescribe the form of and conditions in insurance policies covering the liability of motor-vehicle operators; to subject such policies to the approval of the commissioner of insurance; to constitute the director of traffic the agent of nonresident owners and operators of motor vehicles operated in the District of Columbia for the purpose of service of process; to provide for the report of accidents; to authorize the director of traffic to make rules for the administration of this statute; and to prescribe penalties for the violation of the provisions of this act, and for other purposes;

H. R. 9641. An act to control the possession, sale, transfer, and use of dangerous weapons in the District of Columbia, to provide penalties, to prescribe rules of evidence, and for other purposes; and

H. R. 12571. An act to provide for the transportation of school children in the District of Columbia at a reduced fare.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message further announced that the Speaker had affixed his signature to the following enrolled bills and joint resolution, and they were signed by the Vice President:

S. 218. An act to place Norman A. Ross on the retired list of the Navy;

S. 286. An act for the relief of Thelma Phelps Lester;

S. 888. An act for the relief of Francis J. McDonald;

S. 1309. An act granting six months' pay to Mary A. Bourgeois;

S. 1572. An act for the relief of the Allegheny Forging Co.;

S. 1578. An act to extend the times for commencing and completing the construction of a bridge across the Illinois River, at or near Peoria, Ill.;

S. 2245. An act for the relief of A. H. Cousins;

S. 2524. An act for the relief of J. A. Lemire;

S. 3189. An act for the relief of the State of South Carolina for damages to and destruction of roads and bridges by floods in 1929;

S. 3586. An act for the relief of George Campbell Armstrong;

S. 3910. An act to authorize the President to appoint Capt. Charles H. Harlow a commodore on the retired list;

S. 4182. An act granting the consent of Congress to the county of Georgetown, S. C., to construct, maintain, and operate a bridge across the Peedee River and a bridge across the Waccamaw River, both at or near Georgetown, S. C.;

S. 4481. An act authorizing the exchange of certain real properties situated in Mobile, Ala., between the Secretary of Commerce on behalf of the United States Government and the Gulf, Mobile & Northern Railroad Co., by the appropriate conveyances containing certain conditions and reservations;

H. R. 293. An act for the relief of James Albert Couch, otherwise known as Albert Couch;

H. R. 567. An act for the relief of Rolla Duncan;

H. R. 591. An act for the relief of Howard C. Frink;

H. R. 649. An act for the relief of Albert E. Edwards;

H. R. 666. An act authorizing the Secretary of the Treasury to pay to Eva Broderick for the hire of an automobile by agents of Indian Service;

H. R. 833. An act for the relief of Verl L. Amsbaugh;

H. R. 1198. An act to authorize the United States to be made a party defendant in any suit or action which may be commenced by the State of Oregon in the United States District Court for the District of Oregon for the determination of the title to all or any of the lands constituting the beds of Malheur and Harney Lakes in Harney County, Oreg., and lands riparian thereto, and to all or any of the waters of said lakes and their tributaries, together with the right to control the use thereof, authorizing all persons claiming to have an interest in said land, water, or the use thereof to be made parties to or to intervene in said suit or action, and conferring jurisdiction on the United States courts over such cause;

H. R. 1837. An act for the relief of Kurt Falb;

H. R. 2152. An act to promote the agriculture of the United States by expanding in the foreign field the service now rendered by the United States Department of Agriculture in acquiring and diffusing useful information regarding agriculture, and for other purposes;

H. R. 2604. An act for the relief of Don A. Spencer;

H. R. 5259. An act to amend section 939 of the Revised Statutes;

H. R. 5262. An act to amend section 829 of the Revised Statutes of the United States;

H. R. 5266. An act to amend section 649 of the Revised Statutes (U. S. C., title 28, sec. 773);

H. R. 5268. An act to amend section 1112 of the Code of Law for the District of Columbia;

H. R. 6083. An act for the relief of Goldberg & Levkoff;

H. R. 6084. An act to ratify the action of a local board of sales control in respect to contracts between the United States and Goldberg & Levkoff;

H. R. 6142. An act to authorize the Secretary of the Navy to lease the United States naval destroyer and submarine base, Squantum, Mass.;

H. R. 6151. An act to authorize the Secretary of War to assume the care, custody, and control of the monument to the memory of the soldiers who fell in the Battle of New Orleans at Chalmette, La., and to maintain the monument and grounds surrounding it;

H. R. 6414. An act authorizing the Court of Claims of the United States to hear and determine the claim of the city of Park Place, heretofore an independent municipality but now a part of the city of Houston, Tex.;

H. R. 7333. An act for the relief of Allen Nichols;

H. R. 8854. An act for the relief of William Taylor Coburn;

H. R. 9154. An act to provide for the construction of a revetment wall at Fort Moultrie, S. C.;

H. R. 9334. An act to provide for the study, investigation, and survey, for commemorative purposes, of the battle field of Saratoga, N. Y.;